Daily Report

East Europe

FBIS-EEU-89-123
Wednesday
28 June 1989

Daily Report
East Europe

FBIS-EEU-89-123 *28 June 1989*

CONTENTS

INTERNATIONAL AFFAIRS

Steglich Summarizes CSCE Meeting's Results *[ADN]* 1

ALBANIA

Nexhmije Hoxha Speaks to Democratic Front *[ATA]* 2

BULGARIA

Gerasimov's Comments on 'Tension' With Turkey *[Sofia Radio]* 6
Atanasov Offers To Hold Dialogue With Turkey *[London MORNING STAR 27 Jun]* 6
UN Reports 5,000 Ethnic Turks Leave Daily *[AFP]* 7
Turkish 'Propaganda' Campaign Denounced *[Krustev in RABOTNICHESKO DELO 24 Jun]* 7
Further on Warsaw Pact Commander's Visit 8
Zhivkov, Lushev Meet *[Sofia Radio]* 8
Gen Lushev Departs *[BTA]* 8
Mladenov Departs on FRG Visit 28 Jun *[BTA]* 8
FRG Parliamentarians Visit Muslim Region *[BTA]* 8

CZECHOSLOVAKIA

National Front Session Discusses Environment 9
Jakes Chairs Session *[CTK]* 9
Adopts Statement on Environment *[CTK]* 9
Lenart Addresses CPSL Central Committee Session *[Bratislava PRAVDA 24 Jun]* 9
Finance Minister's Budget Report to Assembly *[RUDE PRAVO 21 Jun]* 14
Strougal Addresses Federal Assembly 20 Jun *[RUDE PRAVO 22 Jun]* 18
Police Withdraw Passport From Havel's Wife *[Vienna DIE PRESSE 28 Jun]* 20
Readers' Questions on Events in Hungary *[RUDE PRAVO 24 Jun]* 20

GERMAN DEMOCRATIC REPUBLIC

Honecker Departs for Working Visit in Moscow *[ADN]* 24
Talks With W. Berlin Trade Union Concluded *[NEUES DEUTSCHLAND 23 Jun]* 24
Romanian Judicial Delegation Pays Visit 24
Krenz Receives Delegation *[NEUES DEUTSCHLAND 20 Jun]* 24
Lawyers Conclude Visit *[NEUES DEUTSCHLAND 24-25 Jun]* 25
French Friendship Society Delegation Visits *[NEUES DEUTSCHLAND 24-25 Jun]* 25
NDPD Holds Jubilee Antifascist Colloquium *[NEUES DEUTSCHLAND 23 Jun]* 25
People's Navy Ship Visits Piraeus Port *[NEUES DEUTSCHLAND 23 Jun]* 25
Writers Demand Change in Brown Coal Mining Plan
[Frankfurt/Main FRANKFURTER RUNDSCHAU 24 Jun] 26
Daily Publishes 1988 Budget Report *[NEUES DEUTSCHLAND 9 Jun]* 26

HUNGARY

National Assembly Convenes; Proceedings Detailed 34
Pozsgay Addresses Assembly *[Budapest Radio]* 34
Finance Minister's Speech *[Budapest Radio]* 34
Nyers Relieved of Post *[MTI]* 39
Deputy Speaker Elected *[MTI]* 39
Bill on 1988 Budget Approved *[MTI]* 40
First Day of Session Ends *[MTI]* 40
Assembly Session Resumes 28 Jun *[MTI]* 40

Szuros Petitioned To Close Soviet Airbase *[MTI]* 40
Council of Ministers Spokesman Holds Briefing *[MTI]* 40
Bush News Briefing Cited on Upcoming Visits *[Budapest TV]* 41
Grosz Answers U.S. Schoolchildren's Letter *[MTI]* 41
Defense Minister Receives Warsaw Pact Commander *[MTI]* 41
Nyers, Grosz Receive Lushev *[MTI]* 41
Talks Held With Iraqi Deputy Foreign Minister *[MTI]* 42
Women's Conference Announces New Federation *[MTI]* 42

POLAND

Military Spokesman Discusses 'Orion-89' Exercise *[Warsaw TV]* 43
Jaruzelski Congratulates Nyers on Election *[PAP]* 43
Daily on New Hungarian Leadership Formation *[Lubczyk in ZYCIE WARSZAWY 26 Jun]* 43
Politburo Hears Report on State of Economy *[Warsaw TV]* 44
Baka Interviewed on Economic Situation *[Warsaw TV]* 44
Jaruzelski Opens PZPR Deputies' Club Session *[TRYBUNA LUDU 24-25 Jun]* 46
Environment Minister Koziol Interviewed *[RABOTNICHESKO DELO 19 Jun]* 48
India's Natwar Singh Interviewed on Relations *[RZECZPOSPOLITA 24-25 Jun]* 48
Communique on Malaysian Foreign Minister Visit *[TRYBUNA LUDU 21 Jun]* 49
Journalists' Association President Elected *[PAP]* 49
Association Issues Resolution *[PAP]* 50
Polish-American Debating School Opens in Warsaw *[PAP]* 50
Rural Youth Union National Board Meets *[PAP]* 50

ROMANIA

FRG, France Inquire About Arrested Romanian *[Hamburg DPA]* 51
Further on 27 Jun Central Committee Plenum 51
Ceausescu Chairs Meeting *[AGERPRES]* 51
Ceausescu Addresses Plenum *[AGERPRES]* 51
PEC Proposal on Reelection *[AGERPRES]* 52
Congress To Convene 20-25 Nov *[AFP]* 53
SCINTEIA on Vienna Arms Negotiations *[AGERPRES]* 53
SCINTEIA on Support for Korean Reunification *[AGERPRES]* 54

YUGOSLAVIA

Markovic Receives Australian Senate President *[TANJUG]* 56
Milosevic Receives Serbian Patriarch German *[Belgrade Radio]* 56
Battle of Kosovo Anniversary Celebration Begins 56
Milosevic To Speak *[Belgrade Radio]* 56
'No Incident' So Far *[Ljubljana Radio]* 56
Gracanica Monastery Service Begins *[Belgrade Radio]* 56
100,000 People Attend Service *[Belgrade Radio]* 57
Kajdomcaj Appointed New Kosovo President *[TANJUG]* 57
Albanian 'Separatists' Trial Opens in Bitolj *[TANJUG]* 57
Ethiopian Foreign Minister Continues Visit 57
Loncar, Berhanu Hold Talks *[TANJUG]* 57
Radio Reports on Talks *[Belgrade Radio]* 57
Daily Criticizes Party for Postponing Plenum *[Vucinic in BORBA 23 Jun]* 58
Stojanovic Receives Nicaraguan Official Santos *[TANJUG]* 58
Justice Secretary Heads Delegation to Conference *[TANJUG]* 58
Vojvodina Officials Expelled From Party *[TANJUG]* 58
Macedonian SUBNOR President Elected *[TANJUG]* 59
Kucan, Party Delegation Visit Macedonia *[DELO 20 Jun]* 59
BORBA Views Croatian Language Issue *[Rakas, 23 Jun]* 60

Steglich Summarizes CSCE Meeting's Results

LD2506110989 East Berlin ADN International Service in German 0807 GMT 25 Jun 89

[Text] Paris (ADN)—Peter Steglich, head of the GDR delegation to the Paris meeting of the Conference on the CSCE's human dimension, has assessed the results of the meeting for ADN. The text of the statement is as follows:

The course of the 4-week deliberations was contradictory. On the one hand, there was a businesslike dialogue on how the Vienna meeting's agreements in the human rights and humanitarian areas can be implemented and how intergovernmental cooperation in these areas can be shaped from now on. The socialist states, including the GDR, in particular presented the problems of human rights and humanitarian cooperation in their new context of joint efforts at peace and security. In this spirit, they submitted constructive and forward-looking proposals. A number of Western states were also unable to resist this approach altogether. On the other hand, this positive trend met with some anachronistic confrontational behavior.

Some Western countries attempted to misuse this meeting to exert political pressure on individual socialist states. They took it upon themselves to claim their own views on human rights to be the sole yardstick, valid for everyone. There were even calls for how this or that state must change its laws. Despite the fact that in the Vienna meeting's final document it is laid down that all human rights are of outstanding significance, economic, social, and cultural human rights were grossly neglected by the Western delegations at the Paris meeting. They had nothing, or only very little, to report about their own activities and measures to implement the Vienna meeting's relevant agreements. Absolutely nothing has changed in their performance deficit.

The programmatic observation in the opening statement by the GDR foreign minister at the Paris meeting, that life lived in peace is an essential precondition for exercising all other human rights, was the GDR delegation's working motto.

At the Paris meeting, the delegation presented the principal positions of the socialist German state on human rights and reported its comprehensive performance in implementing civil, political, economic, social, and cultural rights in their unity and reciprocal circumstances. Thus a comprehensive picture on the legislative and other measures, adopted to implement the Vienna meeting accords, for shaping our socialist constitutional state was conveyed to the CSCE member states. At the same time, it dealt critically with the violations of human rights and the failure to fulfil accepted accords in the humanitarian area by Western states.

Our proposals aim to take into account the unity of all human rights, and to implement them accordingly. Our objective was to submit ideas which go beyond the short term. In this spirit, the GDR's initiatives contain suggestions on the comprehensive implementation of all human rights from the viewpoint of the development of science and technology, as well as the political culture of cooperation in the human rights sector.

We submitted concrete ideas to safeguard the right to social security and education within the CSCE framework. In addition, the GDR proposed to include in the exchange of views, as part of the mechanism of the human dimension of the CSCE agreed in Vienna, the fundamental questions of economic and social human rights, as well as cooperation in the public health, arts, and education sectors and in fighting terrorism and the misuse of drugs.

The Paris meeting was the first stage of the conference on CSCE's human dimension. Further stages will be Copenhagen 1990 and Moscow 1991. It could not be the task of the Paris meeting to produce a substantial final document. All the 36 proposals submitted in Paris will be examined by the member states and conveyed to the meetings in Copenhagen and Moscow.

We see in a number of proposals starting points of common interest.

This includes initiatives to abolish the death penalty, the preservation of children's right, making entry formalities easier, cooperation between CSCE states' parliaments, overcoming racism and racial discrimination, expanded cooperation in the consular area, to mention just a few.

Finally, the conference on CSCE's human dimension can only be successful if it is subordinate to the great objective of the Helsinki Conference: Secure peace for Europe through disarmament, more trust, predictability and mutually beneficial cooperation. It must thus be seen in close connection with all the other elements of the CSCE process, for agreements in the conventional disarmament negotiations and new confidence-building measures in Vienna, and cooperation in the areas of industry, culture and education, are of outstanding import for the achievement of fundamental human rights. Furthermore, the well-known truth was again confirmed at the Paris meeting that, respect for the existence of differing social systems, including the right of every state to act within the framework of its political system and on the basis of its laws and regulations, is the precondition for a constructive dialogue on human rights and humanitarian cooperation.

Nexhmije Hoxha Speaks to Democratic Front

AU2606164189 Tirana ATA in English
1300 GMT 26 Jun 89

["From the Report of Comrade Nexhmije Hoxha Delivered at the 6th Congress of DFA"—ATA headline]

[Text] Tirana, June 26 (ATA)—The 6th congress of the Democratic Front of Albania, Comrade Nexhmije Hoxha said, is an event of great importance in the political life of our country. It is meeting at a time when all our working masses have mobilized themselves to fulfill with honour the historic objectives of the 9th congress of the party and the tasks of the plenums of its Central Committee, and to celebrate majestically the 45th anniversary of the liberation of the homeland and the triumph of the people's revolution.

During the 45 years of our people's state power, through unprecedented efforts, with wisdom and bravery, a new society, confident in its future, has been built and consolidated. Testimony to this is the brilliant socialist reality, the entirely new appearance which our country has assured, are its economy, culture and entirely new relations of society. We are rightly proud of our free and idependent state, our new enlightened working class and united progressive peasantry, of the healthy and educated younger generation, the emancipated women and new people's intelligentsia. Our impregnable defence and the honoured and respected position which socialist Albania enjoys in the international arena are further confirmation of the profound revolutionary transformations which have occurred in our life.

In all the major events which the organization of the front has experienced since the Conference of Peze, which laid the foundations of the unity of the Albanian people in the glorious national liberation war, we have had amongst us the founder and leader of the front, Comrade Enver Hoxha. This is the first congress of the front without Enver. But he will remain forever the architect of the union of the people in the glorious National Liberation War, in the unrivalled battles for the construction of the new Albania.

In socialist Albania the people are masters of their own destiny. They have shed their blood and sweat for these days which we enjoy. They have built everything through their struggle, work, self-sacrifice, and admirable talent. Young and old are proud of the course we have traversed, and look with full confidence to the future towards which we have been led resolutely and with a clear mind by the banner-bearer of our revolution, the Party of Labour of Albania with Comrade Ramiz Alia at the head.

The Strength of Albania Lies in the Unity of the People Rallied Around the Democratic Front and the Party.

The period which has passed since the 5th Congress of the Democratic Front up to now, she said further on, has affirmed with renewed force the unbreakable unity which exists in the ranks of our people and the steel links of the people with the party.

In this unbreakable unity, the party and the people found the strength and courage to cope with the difficulties of growth and of the weather, with the savage interference, pressure, and blackmail which the imperialists and revisionists of all hues exercised against us. In this unity, the party and the people found the strength and courage to uncover and defeat all hostile groups of plotters and putschists aimed to overthrow the people's state power.

The achievements of the past decade, like the 45 years of freedom and socialism in our Albania, confirm the great and undeniable truth that at all stages the leadership of the party has been a source of strength and successes for the Democratic Front.

It is precisely the essential and irreplaceable leading role of the party, the correctness of its line, its ability to turn words into deeds, which have been and still are the fundamental factor and greatest guarantee of our steel unity.

We must guard this unity like the apple of our eyes. We must ceaselessly temper it and make it ever more powerful. It is a necessity for all times.

The continuous strengthening and tempering of the unity of the people is linked directly and indissolubly with the development and strengthening of socialism. The more socialism advances, the more solid and powerful the unity of the people becomes, the more the scope and compactness of this unity are enhanced, the greater the conscious mobilization of the masses to accomplish every task which the party puts forward.

After speaking on the strengthening of the alliance between the working class with the cooperativist peasantry, as a powerful base for the reliable and active unity of our whole people, Comrade Nexhmije Hoxha pointed out that the organization of the Democratic Front of Albania always remains fresh and dynamic and is continually rejuvenated because in its ranks there is unity of the generations.

The continuity of generations, the natural and organic unity between them, testify to the superiority of socialism as a more humane order.

Then she spoke of the ardent patriotism characterizing the people in Albania, stressing that amongst us the patriotism has been enriched with new values and has taken a new higher meaning. It has been and is a true national treasure. Both cosmopolitanism and chauvinism are alien to it. Our people have demonstrated in deeds that they are great patriots and internationalists at the same time.

Speaking of the role of the Democratic Front organization, of the progress of economy and the uplift of the people's well-being, Comrade Nexhmije Hoxha dwelt on the role of self-reliance, which has been and is a fundamental principle for the development of our society. The

readiness of the masses to undertake the solution of the major tasks of the time, she said, has its source in the correct and thorough understanding of this principle. A great victory in the epoch of the party, from the time of the National Liberation War, is that this principle became the belief of the whole people, part of the socialist and national consciousness. It has been further strengthened in the decade since our last congress when for the first time major complex economic plans with bold perspectives, based entirely on our own material financial and human forces, without any aid or credits from abroad, were drafted and have been accomplished or are being carried out. This is one of the greatest political and economic achievements of our epoch.

Amongst us, everything is accomplished by the people and in the interests of the people. Well-being is expressed and finds its reflection in all aspects of the life of our people.

It starts in work. Through the development of the whole economy, socialism has provided the people with work for all.

Finding employment for the whole people, especially in a country like Albania with its high rates of the increase of population, requires a great engagement of the economy. Likewise, the party pursues the policy of keeping the whole country populated, because it is in the interests of socialism that the countryside should not be abandoned, but on the contrary, life should flourish in town and countryside, in the plains and in the mountains, in each corner of the homeland.

The economic victories, like every other success of our society, make the people happy, increase their optimism and confidence in the future and further strengthen their unity. The great task of the organization of the front is that by relying on the inexhaustible forces and physical and mental energies of the people, it must become an ever more active auxiliary of the party for the accomplishment and overfulfilment of the state 5-year plans of social and economic development, for raising the well-being of the people and for the construction of socialism.

The Democratic Front—An Active Auxiliary of the Party for the Education of the New Man

The ideological and political education of the working masses, Comrade Nexhmije Hoxha underlined, has been and remains one of the important tasks of the organization of the Democratic Front. This is made even more necessary today, not only because of the major problems to be solved which are facing our society, but also because of the ideological struggle which is being waged on a national plane between socialism and capitalism, between Marxism-Leninism and revisionism.

The activities which are carried on to publicize various moments of history, events which keep the national pride ablaze, and inculcate the spirit of socialist patriotism, serve the patriotic, class and revolutionary education of the masses.

The new family plays a great and irreplaceable role for the education of the new men. Its function in our society has steadily increased. It has militated worthily in the education of members with the feeling of love for the homeland, for the party and socialism, and has cultivated those marvellous qualities and virtues which have characterized the Albanian people through centuries.

A detachment with a wide range of positive influence in the Democratic Front, she went on, is the new socialist intelligentsia. Since the years of the war, the honest intellectuals linked themselves closely with the front and spared nothing for the freedom of the homeland. Immediately after the liberation, on the call of the party, they set to work to construct the country, and to emancipate the new society.

Through their commitment to solve the great problems of the nation, the people of culture have always earned respect and gratitude. It is the good fortune of our new intelligentsia that it was created and moulded in the bosom of the people, under the profound solicitude of the party and its outstanding friend, Comrade Enver Hoxha. In the years of socialism, it assumed the dimensions of a social stratum for the first time.

The Democratic Front—A Great Tribune of the Voice of the Masses

The construction of socialism, Comrade Nexhmije Hoxha pointed out, is the deed of the masses and is conditioned by the level of their participation in it. With their many-sided activities, the organizations of the front have contributed to building up the spirit of initiative and revolutionary self-action of the masses, to draw them into the discussion of problems and the solution of major political and ideological, economic and social, educational and cultural problems.

It is an important achievement in the implementation of the line of the party that in the meetings of the front, people express their opinions freely and with responsibility.

The socialist democracy in our country is genuine democracy in action. For our people socialism has created freedom and rights beyond any comparison with capitalism, has guaranteed their free and independent life, has created true social equality, has guaranteed national minorities the same rights as all citizens, has opened the way for the extensive development of education and culture, art and science in the service of the

broad masses of the people, has liberated the people from the spiritual shackles of outdated ideologies and has equipped them with lofty ideals, making their life worth living.

In the world today, there is a great clamour about human rights and freedoms. Indeed, the bourgeoisie and the revisionists have built up a whole campaign of slanders against socialism, trying to present themselves as banner-bearers of freedom and champions of human rights. But wherever the capital rules, there is neither genuine democracy, freedom, nor security in life, there the working people have been divested of the means of production, are subjected to exploitation and are divided from participation in government by an insurmountable bureaucratic wall. The banner of freedom and human rights is the banner of socialism.

The fundamental guarantee of the rule of the people, of the popular character of the state, of genuine democracy for the broad working masses and the assurance of the real rights for the working man is the undivided leadership of the party—the vanguard of the working class in our socialist society. Our experience refutes the falsity of revisionist theories and practices which links the development of democracy with the existence of many parties and the elimination of the leading role of the party of the working class.

The Democratic Front Unreservedly Supports the Foreign Policy of the Party

The Democratic Front of Albania, Comrade Nexhmije Hoxha underlined, unreservedly supports the foreign policy of the Party of Labour and our state, [word indistinct] revolutionary and progressive interests of the Albanian people, and reflects their peace-loving aims and their desires for understanding and cooperation between peoples. The first and main objective of this policy has been and still is to guarantee our national sovereignty and freedom, to ensure political and economic independence, and to defend our victories. Resolute exposure of the expansionist and hegemonic policy of the two imperialist superpowers, the U.S.A. and the Soviet Union has also been one of the main component parts of our foreign policy. Socialist Albania has never deviated from support for the just struggles of other peoples for national and social liberation, or from internationalist solidarity for those forces which are fighting for socialism.

Its clear, just, and principled stands towards international issues and developments have brought about that the prestige of our country in the world has risen higher and higher, that its name enjoys the sympathy of the freedom-loving peoples and its voice is listened to with respect. We all rejoice that the number of friends and admirers of Albania in the world is steadily increasing. The Democratic Front, in its own name and on behalf of the Albanian people, thanks all those friends and admirers, wherever they are and whoever they might be, for their consideration and friendship and for their interest and support.

All the members of our organization resolutely support the policy of good neighbourliness followed by our party and state with the countries round us and their efforts to strengthen the spirit of trust and understanding, to increase cooperation with reciprocal interests in all fields where this is possible.

The policy of socialist Albania towards its neighbouring countries has always been open and sincere. Its stands and actions towards them have always been correct and well-intentioned. It has proceeded from the desire and convictions that the relations between Balkan countries can and must be liberated from all those factors of feud and divisions inherited from the past or encouraged for selfish purposes by foreign powers and all those reactionary forces that wish to harm the Balkan peoples.

For our people good neighbourliness has never been simply a geographical notion. Our people have understood it as an objective relationship of common interests and obligations for the safeguarding of the freedom and independence of the Balkan peoples, strengthening their own sovereignty and avoiding the interference of foreign powers, maintaining mutual respect for the historical heritage and their original cultures. A correct and thorough understanding of this relationship would greatly assist in overcoming many obstacles and difficulties which still stand in the way of establishing fruitful inter-Balkan collaboration.

Our organization and all its members rejoice at the positive developments which can be seen in the relations between Albania and other Balkan countries, and which have been turned into an appreciable factor for improving the general political atmosphere in this region, for strengthening its stability and for the creation of new possibilities towards a greater and more useful cooperation to all.

Our country has striven to establish an atmosphere of genuine good neighbourliness in its relations with Yugoslavia, too. But such a thing has been not achieved, and Albania is not to blame for this. To say the least of it, the policy which is being pursued towards our country in Yugoslavia is not at all constructive and is contrary to the interests of our peoples and the interests of good neighbourliness. A noisy anti-Albanian propaganda, in markedly hostile overtones, has been stepped up to even higher levels recently in connection with the events in Kosovo.

The Democratic Front of Albania resolutely rejects the accusations made against our country of interference in the internal affairs of Yugoslavia, and the insinuations that allegedly it is for the destabilization and destruction

of Yugoslavia. The whole world knows, and the Yugoslavs know only too well, that Albania does not interfere in the affairs of others in any sector or in any issue. It maintains this stand not only towards Yugoslavia, but towards any other country. Non-interference is its principle and practice in international relations.

However, if there are still people in Yugoslavia who think that by accusing us of interference, of territorial claims which we have never raised, of incitement of conflicts between nationalities, etc., we Albanians will lower our voice in defence of the lawful rights of the Albanians in Yugoslavia, they are gravely mistaken.

The violence which is being used for a long time against the Albanians of Kosovo and other parts of Yugoslavia, the killing of innocent people and the imprisonment of thousands of youth, the mass persecution and inhuman discrimination, cause us grief, as they do to all Albanians wherever they live.

Therefore our organization at its congress cannot fail to express its anger and protest over all those chauvinist actions which are being perpetrated against Albanians in Yugoslavia, all those injustices which are committed against them, all that violence and oppression exerted against them.

The Albanians who live in Yugoslavia are not seeking pity from anyone. They are demanding those rights which they won through their National Liberation War and which are now being denied them, they demand to be on an equal footing with the other peoples of Yugoslavia, demand the right to maintain and develop their language and culture, their historical traditions and way of life. Recognition and practical implementation of these rights would be to the general benefit, not only of the Albanians, but also of all the peoples of Yugoslavia. This would also be in the interests of peace and security in the Balkans and more widely.

The foreign policy of our party and state, she pointed out, has been and remains open, independent and conscious of its place and responsibility in the international community. This policy has had, and will always have, the full support of all the Albanian people.

In the future, as hitherto, the organization of the Democratic Front and all its members, guided by the line and teachings of the party, will work tirelessly to successfully accomplish the tasks which devolve upon it in the practical application of the foreign policy of our socialist state.

In conclusion Comrade Nexhmije Hoxha said:

We are all happy and proud that in this world of troubles which imperialism, modern revisionism, and the other reactionary forces have created, socialist Albania is living and advancing calmly and confidently, being strengthened and beautified uninterruptedly through the mind and strength of our brave and industrious people, led with wisdom and foresight by our glorious Party of Labour.

In our beloved homeland, the people and the party, closely united as always, will safeguard this unity between them as the most priceless treasure, will consolidate and carry forward the victories achieved, conscious and determined to leave to the present and future generations "an Albania always stronger, always red like the undying flame [words indistinct]."

This was Enver's final behest and this was the vow which Enver's comrade and close collaborator, our beloved leader, Comrade Ramiz Alia, took before him in the name of the party and the people.

Let us turn our 6th Congress into a manifestation of our people's militant determination and readiness to march ahead always on the correct Marxist-Leninist course of our party.

Undertaking tasks and making new pledges we shall make the celebration of the 45th anniversary of liberation and the triumph of the people's revolution happier and more beautiful.

Gerasimov's Comments on 'Tension' With Turkey

AU2706191889 Sofia Domestic Service in Bulgarian 1730 GMT 27 Jun 89

[Text] At a news conference in Moscow, Gennadiy Gerasimov, head of the Information Administration of the USSR Ministry of Foreign Affairs, stated in reply to a question of a journalist: The USSR is aware of the tension that has emerged in relations between Bulgaria and Turkey. Within the framework of our possibilities we are striving to help the two countries to begin a constructive political dialogue in order to overcome the present difficulties by political means.

Atanasov Offers To Hold Dialogue With Turkey

PM2706153089 London MORNING STAR in English 27 Jun 89 p 4

[Bulgarian Prime Minister Georgi Atanasov article: "Bulgarian Law Equally Valid for All"]

[Text] The statement of Todor Zhivkov, president of the State Council, broadcast by Bulgarian radio and television on May 29 this year was received with deep understanding and patriotic enthusiasm. It enjoys the ardent support of the whole people.

The working class, the peasants, the people's intelligentsia in the cities, towns and villages are responding enthusiastically to Mr Zhivkov's appeal for the further strengthening of the unity and the solidarity of the people with the Bulgarian party and for the implementation of a sweeping restructuring in all spheres of life.

At the same time tension among certain groups of our population has not fully relaxed yet.

Outside "directors" who are staging the anti-Bulgarian campaign, and their emissaries in various regions of the country are still spreading rumours.

These rumours are aimed at endangering the security of Bulgarian citizens, misusing their religious feelings, creating fear among them, luring them into leaving their country, breaking labor discipline and disturbing the peace.

As is well known, in the spirit of the restructuring which is being implemented here and in accord with the agreements reached in Vienna, the Bulgarian state has recently made amendments to its legislation.

These amendments are related to the right of unrestricted travel abroad, giving all Bulgarian citizens the right to leave the country whenever they want, to reside temporarily or permanently abroad, and to return to Bulgaria.

Our legislation is equally valid for all.

It neither gives any privileges, nor imposes any restrictions on citizens because of their religion.

This legislation is not temporary. It is long-term legislation.

Legal guarantees that this right can be enjoyed in reality have also been given.

Bulgaria is one of the first countries to have taken part in the all-European process to have started the practical implementations of the Vienna accords.

All Bulgarian citizens, the Bulgarian Moslems included, who want to visit Turkey or any other country, can avail themselves of this opportunity.

Bulgaria appreciated the fact that Turkey responded to the appeal of Todor Zhivkov, president of the State Council, made on May 29, and opened its borders for those Bulgarian citizens who wish to pay a visit there or, due to different personal or family considerations are willing to settle and live there.

Some interested circles in Turkey, however, seek to present this natural right to travel abroad as all but expelling Bulgarian citizens from the country and deporting them to Turkey.

These days we are witnessing speculation with human fates and dramas for dubious political ends.

Shameful scenes are being enacted out of hypocritical motives and pretended concern over the destiny of the Bulgarian Moslems.

Attempts are being made to manipulate international public opinion.

Unfortunately, there are some Bulgarian citizens who succumb to the speculations of Turkish propaganda, but they do not realise that when they leave our country they will have to face great difficulties—unemployment, physical and moral torture, camps and settlement in the most remote places of Turkey.

For 15 years I was people's deputy for the Kurdzhali region. I know a lot of Bulgarian Moslems. I have friends among them.

I just cannot imagine that they would leave behind all they have, all that ties them to the Bulgarian land and the people and succumb to deceitful enticements.

I am absolutely convinced that these people will not and cannot find any other motherland outside Bulgaria.

On behalf of the Bulgarian people I wish to state most responsibly that nobody wants and nobody can force any Bulgarian citizens into leaving their motherland.

All of us are children of this land.

Bulgaria belongs to all, irrespective of their religion and customs. We live in our motherland.

Bulgaria is our fate and our future and it has no undesirable sons and daughters.

In the People's Republic of Bulgaria all Bulgarian Moslems included, are equal in the eye of the law, irrespective of their religion.

Bulgaria's constitution and its legislation grant them all civic, political, social economic and cultural rights in conformity with international standards.

They can enjoy all social gains and facilities, permanent employment, housing accommodation, free education, free medical care, etc.

All normal conditions for a peaceful life and good standards of living have been created.

The Bulgarian Communist Party and the Bulgarian state have always bestowed care on the Bulgarian Moslems and have taken care so that they can enjoy their rights, including the right to travel freely abroad.

This is our lasting policy.

I cannot but mention here that certain circles in neighbouring Turkey are misusing our purely humane feeling and position from self-interested motives and mercenary intentions with regard to part of our population and all the Bulgarian people.

We know why some high-ranking Turkish officials are making belligerent statements, fanning hatred for the Bulgarian people and all that is Bulgarian among the broad masses of the Turkish people, making absurd claims and calling upon world public opinion for support in what they are doing.

Any unbiased person can clearly see the pan-Turkish imperial ambitions hidden behind this aggressive conduct.

As we have stated several times, we are for good-neighbourly, humane and civilised relations with the republic of Turkey and the Turkish people.

We have always been and are still ready for meetings and discussions on all bilateral problems on the basis of mutual respect and consideration for the interests of the parties concerned, sovereign equality, non-interference in domestic affairs, and based on all other universally recognised principles and norms of international law governing peaceful relations between independent states.

Naturally, such a dialogue would only be possible and effective if it is not dependent on preconditions and if it is conducted in a constructive spirit.

Bulgaria is for exactly this type of dialogue because it is absolutely convinced that both the present and the future of Turkey and Bulgaria depend on the normal, good-neighbourly relations between them and in the Balkans, on the understanding and co-operation with all countries in the world.

UN Reports 5,000 Ethnic Turks Leave Daily

AU2706133189 Paris AFP in English 1309 GMT 27 Jun 89

[Excerpt] Geneva, June 27 (AFP)—The exodus of ethnic Turks leaving Bulgaria has reached 4,000 to 5,000 people a day, a spokesman for the office of the United Nations High Commissioner for Refugees (UNHCR) said here Tuesday.

A total 72,000 refugees have already crossed into neighboring Turkey, and if the pace continues their number could hit 100,000 by the end of the week, the spokesman said. Turkish authorities have blamed the departures on Bulgaria's program of "forced assimiliation" for the Turkish minority, but Bulgaria has called this "absurd".

Turkey, meanwhile, has requested help from the United Nations to cope with the influx. Soviet authorities have also undertaken attempts to negotiate an "area of understanding" between the two capitals, but no results have yet been reported. [passage omitted]

Turkish 'Propaganda' Campaign Denounced

AU2706131389 Sofia RABOTNICHESKO DELO in Bulgarian 24 Jun 89 p 2

[Velko Krustev article: "Intolerable Propaganda Style"]

[Text] Over several days Turkish dailies have been publishing biased reports on Bulgarian citizens arriving at Turkish border check points. Pictures are being published showing Muslims in distress coming from Bulgaria, who are influenced by the insistent "invitations" of the Turkish media and the personal appeals of the Turkish prime minister urging them to remain in Turkey. However, these generous promises are already forgotten, while the trusting Bulgarian citizens are "honored" by the Turkish newspapers calling them: "Our compatriots rescued from Bulgarian oppression" and "compatriots who were forcibly expelled from Bulgaria."

The pictures of people locked up in the hastily installed "camps" on the outskirts of Edirna are accompanied by captions trying to insinuate to readers that the Muslims coming from Bulgaria are happy, in spite of living in shelters covered only by a thin plastic foil as a roof. The behavior of our neighboring country's prime minister and the actions of his propaganda machine are in contradiction with all ethical norms, to put it mildly.

Numerous Turkish newspapers recently published reports on the alleged unmasking of so-called "state security agents" in Turkey. The daily TERCUMAN reports on the "spy hunting" campaign which is allegedly conducted on the basis of Bulgarian Muslims that act as informers, and the fact that it has already produced results. The newspaper asserts that 25 agents have already been caught. Only one of them is supposed to be hiding in Istanbul. This elaborately concocted campaign not only spreads fear among Bulgarian

Muslims on their way to Turkey, but also facilitates the conditions for mass arrests, torture, and the permanent persecution of innocent Bulgarian Muslims.

This propaganda campaign is to the advantage of Prime Minister Turgut Ozal and his party. Following the devastating defeat which his party suffered as a result of the local elections held on 26 March 1989, he was considered a politician on his way out of the political scene. For this reason he took recourse to nationalism as the last straw of salvation. The efforts and manipulations aimed at persuading world public opinion that Bulgaria is responsible for the suffering of our citizens locked up in special camps are really strange and absurd.

Sober-minded Turkish journalists also exist, of course. They are trying to warn the Turkish public that the government is attributing to Bulgaria all the crimes it accumulated on the wrong side of the moral-political assets. In an article published on 16 June in the daily CUMHURIYET, the journalist Ali Sirmen recalls that the Ozal government is violating the Bulgarian-Turkish bilateral agreement on emigration questions which was signed as early as 1978. Some other newspapermen prefer the nationalist tone, but are obliged, in spite of all this, to admit that our country's policy is correct. In an editorial article CUMHURIYET points out: "We are a NATO member state. We are allies of the United States, but regardless of this, we do not enjoy any prestige at international forums." The same article admits that the reason for this lack of prestige is Turkey's bad international reputation as a country of terror and inquisition.

Even though Turkish public opinion is manipulated in the desired manner, the world public, at least, knows the truth. It knows that no one is forcibly dispatching Bulgarian citizens to Turkey, and that our country is already receiving our misguided compatriots who are returning home.

Further on Warsaw Pact Commander's Visit

Zhivkov, Lushev Meet

AU2706180989 Sofia Domestic Service in Bulgarian 1730 GMT 27 Jun 89

[Text] Comrade Todor Zhivkov received Army General Petr Lushev, commander in chief of the Warsaw Pact Joint Armed Forces. The talks took place in a cordial and businesslike atmosphere, and demonstrated a total unity on the issues of improving the Joint Armed Forces. Special attention was devoted to the necessity of further strengthening cooperation between the armies of the allied countries.

The meeting was attended by Comrade Dobri Dzhurov and Lieutenant General Mikhail Artemyev, aide of the representative of the commander in chief of the Warsaw Pact Joint Armed Forces to the Bulgarian People's Army.

Gen Lushev Departs

AU2706181189 Sofia BTA in English 1749 GMT 27 Jun 89

[Text] Sofia, June 27 (BTA)—Army General Petr Lushev, commander-in-chief of the Warsaw Treaty Armed Forces, ended his business visit.

Today the guest left Bulgaria, seen off by Army General Dobri Dzhurov, member of the Politburo of the CC [Central Committee] of the BCP [Bulgarian Communist Party] and minister of defense, and by the military attaches of the Warsaw Treaty member-countries.

Mladenov Departs on FRG Visit 28 Jun

AU2806084289 Sofia BTA in English 0719 GMT 28 Jun 89

[Text] Sofia, June 28 (BTA)—Mr Petur Mladenov, minister of foreign affairs, left on an official visit to the FRG today. The visit is at the invitation of Mr Hans-Dietrich Genscher, vice chancellor and federal minister of foreign affairs of the FRG.

FRG Parliamentarians Visit Muslim Region

AU2806075889 Sofia BTA in English 2232 GMT 27 Jun 89

[Text] Khaskovo, June 27 (BTA)—Two deputies at the Bundestag of the Federal Republic of Germany, Mr Gernot Erler and Mr Peter Wurtz, today visited Khaskovo.

After the talks they had in Sofia, the parliamentarians were familiarized with the work of the Foreign Passports Department at the regional centre of Khaskovo and visited the local mosque—the oldest one in the Balkan peninsula.

The guests said to a BTA correspondent:

"Now, before ending our visit, I can say that it was worth coming here", said Mr Gernot Erler, deputy of the German Social Democratic Party and chairman of the Bundestag group for relations with the Bulgarian National Assembly. "Today we received concrete information and impressions about two very important problems. We got convinced that the Bulgarian authorities are really willing to apply the Foreign Passports Law that became operative recently. We also got convinced that the mosque in Khaskovo is available for the local Muslims to hold their religious services there."

Mr Peter Wurtz, deputy chairman of the Bundestag group for relations with the Turkish Parliament, added: "From the talks I had with the chief mufti in Sofia I learn that religious restrictions are out of question in Bulgaria". Mr Wurtz said he hopes that the problems of Bulgaro-Turkish relations will be settled.

The guests had a meeting with the district imam in Khaskovo, Mr Biser Khadzhiev. "They say you are dead, but we see you alive", one of them said. The imam answered that he is not only alive, but also performing his duties as a Muslim priest conscientiously and regularly. He told the guest that the mosque is opened every day all day long and that the believers come to pray five times a day, as it is ordained by the Koran.

National Front Session Discusses Environment

Jakes Chairs Session

LD2706131689 Prague CTK in English
1010 GMT 27 Jun 89

[Text] Prague June 27 (CTK)—The Central Committees of the Czechoslovak, Czech and Slovak National Fronts met here today for a joint session to discuss the present situation in the creation and protection of the living environment.

The Czechoslovak Communist Party General Secretary and chairman of the Czechoslovak National Front Milos Jakes stressed the serious character of today's session whose main aim is to consider how the National Front succeeds in helping solve this important issue and how the share of all organizations associated in the National Front in the creation and protection of the living environment could grow.

Milos Jakes emphasized that the session should also state how to influence to even a greater extent the public opinion so that the struggle for observing the technological discipline, for greater purity of the air, waters, for better working environment, the embellishment of villages and towns may become the concern of most citizens.

The session is an expression of the efforts of the whole National Front and all its sections to centre attention on solving the basic questions which immediately influence the life and work of Czechoslovak citizens and are of primary importance for all of society.

The session discussed changes in the composition of the bodies of the Czechoslovak, Czech and Slovak National Fronts which were recommended by political parties social and interest organizations.

At the session of the Czechoslovak National Front Central Committee in November 1988, it was recommended that the request of the Czech Union of Protectors of Nature and the Slovak Union of Protectors of Nature and Country be accepted into the National Front.

Czechoslovak deputy premier and chairman of the State Commission for Scientific-Technological Development and Investments Karel Julis delivered a speech concerning the present state in the creation and protection of the living environment in Czechoslovakia and the main targets of the National Front bodies and organizations in the forthcoming period.

Present at the session were Czechoslovak Premier Ladislav Adamec and other Czechoslovak Communist Party Presidium members.

Adopts Statement on Environment

LD2706190589 Prague CTK in English
1725 GMT 27 Jun 89

[Text] Prague June 27 (CTK)—Support for the Czechoslovak Government's measures to stop the quality of the atmosphere, waters, soil and forests from deteriorating was expressed in a statement adopted at a session of the Central Committees of the Czechoslovak, Czech and Slovak National Front here today.

The statement stressed that a way to improve the quality of the environment lies in achieving harmony between economic and social development, and requirements of ecology. In practice this means working for fundamental structural changes in the economy and gradually eliminating the causes of ecological problems.

The endeavour of the whole society at a positive turn in the present situation must be supported also by drawing up a law on the environment and its consideration in a public debate, the statement said.

It appealed to all National Front organizations, to the national committees, state enterprises, cooperatives and other organizations to contribute to the statement of ecological problems.

Lenart Addresses CPSL Central Committee Session

AU2706091889 Bratislava PRAVDA in Slovak
24 Jun 89 p 3

["From" the speech by Jozef Lenart, member of the Presidium and secretary of the Czechoslovak Communist Party Central Committee, at the session of the Slovak Communist Party Central Committee in Bratislava on 22 June: "Let Us Make Use of the Potential of Socialist Ownership for the Full Application of Science"]

[Text] The recent 14th session of the CPCZ [Czechoslovak Communist Party] Central Committee, the results of which you are discussing, constitute an important part of the preparations for the 18th CPCZ Congress and will undoubtedly enrich the content of the annual membership meetings and party conferences. The session's importance lies in the fact that the Central Committee, on the basis of the report submitted by Comrade Jakes, adopted a position on important issues of domestic and foreign policy. It addressed the key issue of the intensification of the economy and the advancement of society—scientific-technical development, and the task of the metallurgical-engineering complex and the electrical engineering industry in the national economy. In this context it checked the implementation of the resolutions on this problem adopted at the preceding sessions. The exceptional urgency and topicality of this problem is underscored by the strengthening dynamics of the processes of scientific-technical revolution in the world, the

need to master them more successfully under the conditions of restructuring in Czechoslovakia, and the preparation of conceptual documents, which are connected with this and which will be submitted to the congress.

The approach applied by the Central Committee when assessing results in those spheres is new and constructive. In the spirit of the changing demands on the work of the party under the conditions of restructuring, it carried out a check on the basis of reports submitted by the pertinent members of the federal government. The party cannot, and does not want to, replace the state bodies, but all the more carefully must it assess how the determined objectives and plans are being implemented in the interest of the entire society. These are, to express it in general terms, the stimuli and a contribution of the 14th session, from which the deliberations of the CPSL [Slovak Communist Party] Central Committee are creatively proceeding today. Since you are aware of the results of the 14th CPCZ Central Committee session, permit me—in connection with the results and the debate to date—to speak on only some issues. The fact is that the party bodies and organizations have been paying considerable attention to the development of science and technology and the development of the engineering complex, and that the management structure has also been directing greater effort toward this problem.

The orientation toward asserting scientific-technical progress has found its expression in the national economy's development plans, and in the concrete objectives of enterprises, which had been drafted with the active participation of the party, trade union, and youth organizations.

The growth of our production and scientific-technical potential, which can be seen particularly clearly under the conditions of the SSR [Slovak Socialist Republic], is the result of selfless work. Let us recall for example, that since 1984 the SSR's share in the creation of the CSSR national income has increased from 29.9 to 31.6 percent. Engineering production has been increasing by 4.9 percent annually, electrical engineering by 6.4 percent, that is, faster than the national average. The scientific-technical base has grown by 16.5 percent and constitutes 31.6 percent of the national scientific-technical base. Qualifications in terms of the number of students at higher institutes of learning and experts with secondary school education are also developing favorably. Today we have 11 high school students and almost 60 secondary school students per 1,000 of the population. The creative capabilities of the people, their ability to create, design, and produce at levels comparable with the world are attested to by examples of collectives and individuals, Laureates of the State and National Prize, and innovators who are mentioned in the submitted report. I wish to pay tribute to all those who have contributed to the upsurge in our society.

However, despite the progress achieved and proceeding from the 14th session, we must note that, in view of the increasing needs and the competition in the world, the extent and the rate of the implementation of scientific-progress in our country—as the submitted report and the debate at your session reveal—has been insufficient to date. This especially shows in the slow rate of restructuring, the low technical and technological standard of production—especially in metallurgy, engineering, and electrotechnical engineering, as well as in an unsatisfactory quality of products and in a slow innovation cycle, in continuing weak spots in the sphere of capital investment, where we are building for far too long, far too expensively, and are not achieving the planned parameters. In addition, as it is known, we are not making use of the opportunities offered by the international division of labor.

The continuing shortcomings reflect the discrepancy between production forces and socialist production relations, the exhaustion of the system of management. **This is the reason why restructuring and economic reform are so urgent.**

From what do we proceed?

The approach of our party is based on the profound conviction that the socialist system has the potential to develop science, the potential to make use of the achievements of the scientific-technical revolution and to accelerate the dynamics of the development and the entire society; it is based on the conviction that socialist ownership provides broad scope for this.

In contrast to other doubting and defensive attitudes, we proceed from the conviction that we do not have to abandon socialist ownership, but revitalize and restructure it in a revolutionary way so that production relations correspond to the new character of the production forces and accelerate their development. This means striving for the working person—worker, farmer, scientist, designer, planner, technologist—to feel and behave as a full-blooded manager, entrepreneur, and one could say coparticipant in a common property in a factory, cooperative, or an institute.

This can and must greatly fan the development of initiative, science, and research. Hunger for new technical solutions and novelties will grow. Our educational activity and, in particular, the intertwinement of the interests of collectives and individuals to achieve results, to have remuneration solely for work done, for concrete work, must help to create such conditions. This materialistic basis must also be introduced in research, with the state cofunding its strategic objectives.

By means of the economic reform we want, at the same time, also to stimulate socialist entrepreneurship, which will place—in accordance with the world trends—the quality of production and services in technical and economic parameters, in esthetics and in ecological safety, in first place.

That what we strive for by means of restructuring and the economic reform, what we are doing to achieve a rapid implementation of scientific-technical progress and creative work, serves the people; it is for their benefit. In this connection we say that our reform is anti-inflationary and anticredit, in the sense of lighthearted and unproductive borrowing abroad. It builds on honest and better work, on work that is of benefit to society. We must consistently assert and maintain this fundamental party line. From this it arises that money, as a sign and yardstick of values, must be held in esteem—it represents people's work, the most sacred thing for our togetherness. And therefore it is necessary everywhere to assert the principle of remuneration according to work done, to carefully consider how we invest korunas, and see to it that the sum of utility value grows faster than the sum of money paid out. We have had enough lessons to pursue this line consistently.

We had to undergo catastrophic inflation after the war, a monetary reform in 1953, an inflationary spiral in 1961-64, then in 1968-69, and today we have similar pressures again. Also, the developments in some neighboring countries must be a warning to us, developments which graphically demonstrate where flirting with debt made for the sake of consumption leads to, as well as a voluntarist attitude toward money, and what political consequences this can have under certain conditions. We are saying openly and unambiguously that the party, with its leadership expressing the interests of the people, will not succumb to politicking in that sphere, to demands for distribution. Yes, we are for distribution, but a distribution preceded by the higher creation of resources, values, and better work, because only this leads to the equilibrium of the economy, better supplies, a more solid market, and to the convertibility of our koruna in the future. Yes, the restructuring of the economic mechanism and the convertibility of koruna are twins, the koruna must have stimulating value, it must stimulate performance.

It Is Within Our Power To Master the New Tasks

I would like to stress that our domestic needs and external conditions, the sharp competition with the world, and the establishment of the common market in Western Europe dictate that we strictly follow the path of restructuring and economic reform, and resolutely reshape our lives. That means comparing our products, technologies, and intellectual performance with the world and achieving the best.

The following question is frequently asked: Are we strong enough to master the tasks and proceed along the path of intensification of the economy and prosperity?

We are convinced—and this is the position of the Central Committee—that we are strong enough, and that it is necessary to mobilize and win over people.

Were we, in Slovakia, better off in the past? After all, today we have a solid production and scientific-technical base, we have skilled people, we are creating traditions of solid workmanship, and we are opening an unprecedented scope for people's initiative, and all this must—we are convinced—have an impact if the party has courage and strength, and if it is in the forefront everywhere in the struggle for results.

In the interest of our own prosperity, but also in the interest of the prosperity of the other fraternal countries, we are approaching with critical exactingness, but offensively, the opportunities provided by CEMA to intensify the division of labor in production, science, and research, in investments on the basis of direct relations, the establishment of joint ventures, organizations, and institutes. In the interest of this we are striving to radically improve the mechanism of cooperation, to coordinate the national economic plans and economic agreements in a new way, and to develop a modern socialist common market within the CEMA framework in a new way.

In my view, scientific-technical development is the first area in which we could realistically develop a common market. I think that we must begin precisely with its carriers—the science- and intellect-intensive products. We should buy and sell these products at attractive prices—analogous with prices in advanced states, that is, on the main world markets, and not as we have been doing it until now, on the basis of cost-prices.

Since capital construction is also an area where scientific-technical progress is being applied to an enormous extent, in our view, here, too, it is very desirable to apply socialist competition within the framework of the community. By means of the socialist market based on using advanced suppliers when competing in parameters and deadlines, and on this basis also differentiated remuneration, we can overcome our scientific-technical lag faster. This applies, in particular, to investments in engineering technology.

Having an increased range of industrial consumer goods plays an important role in the stimulation of the CEMA countries' economies. We have to assess the technical-economic reasons for shortages, for example, in the sphere of passenger cars, consumer electronics, packaging technology, fashionable products, and other things. More entrepreneurship must be shown in developing mutual tourism, especially its material base, so that it does not remain, as is often the case now, simply a means of purchasing goods. Of course, people want to buy what is interesting, but tourism in our countries shows signs of the division of labor not functioning properly. When tourists devote themselves to trade instead of this being done by trade organizations and production enterprises, this represents criticism of our governments, of our system.

I would like to add that we discussed these and other matters at the consultations of the secretaries of the Central Committees of the fraternal parties. Proposals

and recommendations will be followed by talks by and decisions of the general and first secretaries of the Central Committees of the fraternal parties.

Satisfying Needs Better With Structural Changes To Rationalize Consumption

Along with the economic reform, we want to carry out structural changes in the national economy. We are interested in making use of its more profound potential and scientific-technical orientation. With the gradual, planned, and purposeful phasing-out of productions that have no future, and the preferential development of advanced production sectors we must achieve, in particular, a distinct reduction in the consumption of energy, and raw and other materials.

Slovakia has fairly rich geological deposits of magnesite. The problem of its valorization has been addressed several times by the party and state bodies. The CPSL Central Committee sponsored a seminar on this issue in 1983. One must seek a way to make comprehensive use of this raw material not only for the production of high-quality heat-resistant materials, but also of special materials for the electrical engineering and pharmaceutical industries and for the production of plastic materials and composites.

Several engineering and electrical engineering enterprises are affected by the structural changes in connection with the switchover from armament programs to civilian production. We appreciate the fact that the work collectives in those enterprises—in accordance with the statewide concepts—successfully assimilated exacting productions and considerably contributed to ensuring the defense-capability of our country and the Warsaw Pact states. The favorable developments in international relations, about which we are convinced that they are of lasting nature, require us to change production programs and energetically resolve problems arising from the changed conditions. **It is necessary for individual enterprises to create their own new production programs while making maximum use of the vacated capacities and minimizing the social impact. In this connection I would like to express appreciation for the well-thought-out approach by the management of the ZTS [Heavy Machine Tool Enterprise] of Martin, which has prepared the production of finished products that are in great demand,** such as construction machinery, automated work stations, as well as new programs, for example, for the production of machinery for the food industry, ecology-related equipment, and technology for automated flexible production systems. The new production program will make it possible for the enterprise to satisfy the demand of domestic users as well as increase exports.

We regard it necessary that the pertinent central bodies, such as the Academy of Sciences and the forecasting institutes, help individual enterprises to resolve the problems that accompany these exacting changes in the economic structure. And here it is necessary to keep in mind the serious social and human contexts of the structural changes, prepare people for them, and plan their retraining in time.

The development and modernization of engineering and electrical engineering plants manufacturing consumer goods are exceptionally urgent. The most important production enterprises which ensure the overwhelming portion of the domestic market's demand for household appliances and leisure equipment are located in Slovakia. The growing justified demands of our people must lead the sector and enterprises to markedly increase their production capacities by installing high-performance technologies, and ensure high quality consumer goods. Engineering enterprises must also show more boldness in realizing the program for the production of ecology-related equipment.

Together with the structural changes we also have to take a closer look at the issue of product quality. We must be concerned by the fact that in Slovakia the proportion of products having a high technical-economic standard has dropped and losses arising from poor quality production have increased. The quality of products can become a great advantage for collectives working under the new conditions, because only outstanding quality will lead to higher prices, whereas poor quality will become a burden. **Communists must exercise party control over programs aimed at raising quality and work out quality control systems, which proceed from the objective process of the improvement of our norms so they more closely correspond to the international system of norms.** Comrade Gonka's remarks on initiative and socialist competition, and on special groups to promote quality are also correct. All this is in harmony with socialist entrepreneurship.

Hiking Prices Is Not Desirable Innovation

The realization of structural changes in the economy, the acceleration of scientific-technical progress, and the struggle for high quality place great demands on the entire scientific-research front, on its staff in the Academy of Sciences, at higher institutes of learning, and in research institutes. We presume that the economic reform, its ever deeper penetration, will show the need to rapidly assimilate the latest knowledge and implement it in production, and therefore we can expect the necessary pressure on manufacturers. Science and research must be ready for this and must come forward in advance with proposals corresponding to the criteria of competition with the world. From the viewpoint of these conditions and requirements we must place new demands in respect of science and research programs, the concentration of forces and instruments to ensure them, the time factor, and the general results and efficiency of the scientific-research base. In this spirit it is necessary to reshape the entire life of collectives, institutes, and institutions, and resolutely overcome whatever retards creative and efficient work.

My opinion is—and this is in harmony with the content of the CPCZ Central Committee appeal—that one has to begin without delay overcoming the unjustified equalization in remuneration of the staff in the preproduction stages. Remuneration is not to be for titles, for work assignments, or for research activity in general, but for work done, for a demonstrable result. This means that particularly the performance-related component of wages should reflect the credit of a collective, and within its framework also of an individual, in achieving an effect from high technical-economic parameters, from completing tasks ahead of deadline, and—in particular—from innovating production.

It is natural that when the effort of a collective or an individual is reflected in a product which is—from the viewpoint of quality and the speed with which it appears on the market—attractive and saleable on world markets, this must be reflected in the price, in greater profitability, and in the creation of resources from which those who have the greatest credit in it must profit most. After all, greater profitability is the prerequisite for collectives to undertake more exacting innovations and also become party to ventures involving risk. **It is important that we develop on our market a range of products and services with the corresponding range of prices. Indeed, this does not mean that any price hike, as some manufacturers think, is an innovation. Here I stress again that the extent of the utility value must grow faster than the sum of money paid out.**

These are perhaps just details, but I want to stress—and this is meant for the managers—that it is worth changing these systems, that it is worth conducting a struggle and even provoking a conflict with ingrained remuneration systems, which breed a lack of interest, which cause people to be indifferent to and unenthusiastic about results. **We are convinced that assertion of the criterion of remunerating creative staff according to results will release the great latent potential for the benefit of the economy and self-realization.**

In the interest of achieving a higher performance of the scientific-research base it will be necessary that also we, in Slovakia, make greater progress in linking science, research, and production more closely together. The world's entrepreneurial practice teaches us that the research-development-production-use cycle has to be radically reformed. This means abandoning the "relay baton linear model" and going over to a synergic, almost a parallel, model of stages of the research-development-production-use cycle, which will ensure a noticeable shortening of time between an idea and the final profitable production write-off [konecny rantabilny odpis produkce]. The first steps in that direction have already been taken thanks to the far-sightedness and commitment of some comrades from the Slovak Academy of Sciences, higher institutes of learning, and a number of factories and cooperatives. Thanks to their courage in standing up to the barriers of routine, we have pillars of support, such as the VUKOV [expansion unknown] of Presov, the VUMA [Mechanization and Automation Research Institute] of Nove Mesto nad Vahom, and then there is the scientific-production complex of the Technical Cybernetics Institute and the BEZ [Bratislava Electrical Engineering Factories] in Bratislava, there is the production of immunomodulators, ensured by the Slovak Academy of Sciences and the Imuna enterprise in Sarisske Michalany, there is the fruitful cooperation between the united agricultural cooperative in Sala nad Vahom, the Corn Research Institute in Trnava, and the Advanced School of Agriculture in Nitra involved in the application of a corn-growing system, and so on. These, I would say, pioneers of higher cooperation between science and research show the effectiveness of the dialogue and the closer ties between science and practice.

The speeches by Comrades Riman and Hajko at the 14th CPCZ Central Committee session met with exceptional interest. They provided information about the establishment of a long-term cooperation program between the Czechoslovak Academy of Sciences and large enterprises, such as the Skoda concern, the Chepos enterprise, and the CKD combine. CKD is also setting up an experimental base for future-oriented technologies. In Slovakia, too, a joint cooperation project is in the making between the Computer Technology Enterprise of Banska Bystrica and the Technical Cybernetics Institute of Bratislava to produce technical and programming equipment for data processing. Further, there is the cooperation among the UTK [Central Technical Commission], the Tesla research institute, and the Tesla production enterprise of Bratislava in the project involving higher types of optical memories. Central facilities for the training and retraining of staff also are being built. Courses for socialist managers—as they are called—are being set up at the Advanced Schools of Economy in Prague and Bratislava, and also the higher technical institutes.

Comrades, these are actions arising from the urgent needs of the times, and it is very desirable that we make use of the opportunity and not miss the boat!

The Party Inspires and Integrates

Permit me also to recall here that the success of the acceleration and of the revolutionary restructuring depends on people and their affinity for the common enterprise.

Thus, while we are again emphasizing the role of scientific-technical progress and the need to accelerate it by means of economic reform, we realize at the same time the need for better qualifications and greater commitment on the part of the human factor. The important thing, and I have already said it here, that the working man is not only an employee, but that he thinks and behaves as a good socialist entrepreneur and cocreator. This is the purpose of democratization and reform. Accomplishing this is a truly historic task with a revolutionary impact on political

affairs, and in the social, moral, and psychological spheres. It depends on all of us how we fulfill this task, because we cannot count on anything to happen automatically or by chance.

Here, the work of the party, the National Front, the trade unions, the youth, and the Scientific-Technical Society must help. We should rid ourselves of the vestiges of the old approaches, which generally did not appreciate enough the role of the working people as the crucial subject of what happens [deni], and placed them only in the position of objects, of being merely labor.

Further, I would like to note that while we are strengthening economic accountability and material interest, this does not mean failing to recognize other motivation factors, also in respect of the technical intelligentsia, such as moral qualities, honor, patriotic feelings, yearning to achieve one's own self-realization and to excel, inquisitiveness, inventiveness, and other noble attributes. Let us develop them so that, together with material stimuli, they have a greater effect.

Let us create a favorable atmosphere for the creative work of people in production, research, and management. We must consider more the specific needs of the catalysts of scientific-technical progress and the fact that its advancement is being retarded by conservatism in social mentality, and by technocratism which ignores the social context of scientific-technical progress.

We are in favor of public opinion opposing mediocrity, indolence, and envy when it comes to remuneration, and encouraging a healthy ambitiousness, entrepreneurship, and competition, the need to be demanding in respect of one's own person, learning, and improving oneself. Our task is to patiently instill this into the young generation, open the doors to them to the sphere of management and preproduction stages with greater boldness, not to be jealous of them for their knowledge, surround ourselves by them, and make use of their boldness. In this sense we must undergo restructuring, the new thinking.

The application of science in society is a complex process involving interests and knowledge. To make it a success, the Communist Party must develop a new kind of work which recognizes and expresses the national interests. The party inspires social management to make optimum use of scientific-technical progress. The party integrates the energy of the workers class, scientists, and technicians to develop knowledge, science, and to implement that knowledge for the good of the people, of society. The CPCZ Central Committee appeals to us to develop high activity in that sphere.

Esteemed session, I have been empowered by the CPCZ Central Committee Presidium and the party general secretary, Comrade Milos Jakes, to express the conviction that the CPSL Central Committee, the Communists, and all working people will act wisely, purposefully, and resolutely in order to successfully master the tasks determined by the 14th CPCZ Central Committee session.

Comrades, I wish you every success in doing this.

Finance Minister's Budget Report to Assembly

AU2606112389 Prague RUDE PRAVO in Czech 21 Jun 89 p 5

["From a Statement by Jan Stejskal, CSSR Minister of Finance, on the Summary of the State Final Accounts For the Year 1988," made at the 14th joint meeting of CSSR Federal Assembly chambers in Prague on 20 June]

[Text] The slower rate of growth of the domestic product and its increased use in consumption and accumulation in comparison with the intentions of the Eighth 5-Year Plan is also reflected in the marked tension between the creation of financial resources and their utilization. During the first 3 years of the 5-year plan, the generation of profit in enterprises and organizations is Kcs 35 billion lower in comparison with the original assumptions. However, at the same time pressure is increasing for the utilization of financial resources both in the manufacturing sphere, especially in investment and supplies, and in the satisfaction of long-term unresolved requirements in the non-manufacturing sphere.

In 1988, in comparison with the previous 2 years of the Eighth 5-Year Plan, the creation of financial resources accelerated, particularly from profits and turnover tax; terms of trade have improved with favorable consequences for the financial results of the enterprise sphere, savings in material expenditure have increased; and the development of inventories has partially improved.

If however, during an evaluation of the results of the economic performance last year, we proceed from the fundamental line of the 17th Communist Party of Czechoslovakia [CPCZ] Congress directed toward the intensification of the reproduction process, we cannot be satisfied. So far, the improvement in the efficiency of the Czechoslovak economy is contributing to an insufficient extent to the growth of financial resources. Considerable financial resources are still tied up in unfinished investments, in excessive inventories, and in foreign claims. We miss these resources, they create tension in financial relations and cause an imbalance on the domestic market and in the balance of payments.

Under these conditions it was necessary to provide for a balanced budget management by extraordinary measures in financial policy, including limiting certain budgeted expenditures, by making use of the contingency reserves from the state budget, and partially by utilizing higher resources in freely convertible foreign currencies than planned.

The adopted measures and tightening up financial management contributed toward the fact that after the financial settling of accounts with federally managed organizations and the settlement of financial relations with the state budgets of the republics, the revenue of the state budget is higher by Kcs 1.6 billion than its outlay. It has been proposed to use the above-mentioned surplus for exceptional special purpose and universal appropriations to balance out the state budgets of the republics; this will be accomplished with Kcs 1.3 billion for the state budget of the Czech Socialist Republic [SR] and with Kcs 300 million for the state budget of the Slovak SR. Along with other measures carried out within the province of Czech SR and Slovak SR organs it was thus possible to achieve the balance of all three state budgets.

The overall revenue of the state budgets, including the budgets of the national committees, amounted to Kcs 404.1 billion last year and overall expenditure amounted to Kcs 401.2 billion. Appropriations from the state budget of the federation into the state budgets of the republics, including the proposed exceptional appropriations, will achieve an overall volume of Kcs 143.8 billion. Of this, 59.5 percent falls to the Czech SR state budget and 40.5 percent of the overall appropriations falls to the Slovak SR state budget. The share of both the republics in appropriations from the federal budget in 1988 came closer by 0.2 percentage points in comparison with 1987.

In the budget management of the national committees their income exceeded their expenditure by Kcs 2.85 billion. In harmony with the principles of the material incentives of the national committees, these resources will be utilized to strengthen their reserve and development funds.

For fulfillment of targets in the revenues of the state budget it is vital how enterprises and organizations fulfill their levy obligations. Last year levies from the economic sphere resulted in a budget surplus of more than Kcs 2.6 billion; this was, first and foremost, on the basis of higher profit formation from foreign trade. However, the planned reduction of overall expenditure by Kcs 7.3 billion was not achieved. Although the development of material expenses improved, as opposed to the previous year, the high consumption of raw and processed materials and energy is still continuing in manufacturing. Non-productive expenses such as fines, penalties, deficits, and damage reached Kcs 2.5 billion.

Particularly disturbing was the situation in labor costs which grew even worse as opposed to the previous year. Therefore, the CSSR Government has adopted stringent measures to bring wage development under control especially at the end of the year.

Although the profit generation plan was, on the whole, exceeded, there are huge differences between the results of individual organizations and departments. Ten percent of centrally managed enterprises did not fulfill the profit generation plan.

The loss-making of some enterprises, which could not even be reduced last year, is not in harmony with the principles of self-financing. The economic performance of 149 centrally managed organizations ended with a loss totaling Kcs 11.2 billion. In organizations managed by the national committees the long-term tendency of the growth of losses in housing management continued and reached the sum of Kcs 5.9 billion. Losses in city mass transportation amounted to Kcs 3.8 billion. Only a partial improvement came about here—for example, in restaurant and cafe enterprises, which moved from loss-making to profit-making.

It is also disturbing that a number of enterprises have not paid enough attention to their own financial situation because, to finance their investments, inventories, and wages, they used funds which exceeded their own created assets. In 101 centrally managed organizations this represents a sum of Kcs 5 billion which they will this year be forced to balance out, either by increased profit generation or by limiting their expenditure.

A significant source of the state budget is turnover tax. After years of stagnation its volume was Kcs 6.3 billion higher, in comparison with 1987. This is a consequence of higher supplies of goods from manufacturing for the internal market and of changes in their structure to the benefit of industrial products.

The 14th CPCZ Central Committee session once again stressed that putting scientific-technical knowledge into practice must become a fundamental factor of the intensification of our economy. Non-investment expenditure on the development of science and technology reached Kcs 23.1 billion last year, so that its planned volume was exceeded by 10.6 percent. This excess was financed mainly from the retained earnings of economic organizations.

Financial development is unfavorably influenced by the long-term shortcomings of capital investment, in particular by its low efficiency. Even last year the target of the state plan was not complied with, which assumed a slump in the material volume of investments. The volume of investment projects and supplies in the national economy was Kcs 7.6 billion higher, compared to 1987.

While intentions in capital investment as a whole are being exceeded, the implementation of ecological investments continues to lag behind. Last year Kcs 2.8 billion was spent. From calculations it arises that, in comparison with the tasks of the whole of the Eighth 5-Year Plan, there will be a shortfall of approximately Kcs 3 billion. In order to substantially change the situation it is necessary to improve the preparedness of these projects, to finish resolving a number of conceptual technical issues, and concentrate capacities on their completion.

For a number of years, excessive inventories have been a problem for our economy. Increased economic pressure and other measures adopted by the CSSR Government

in 1987 manifested themselves last year in an identifiable improvement in the development of inventories in industry and construction. The period of their turnaround, in comparison with the previous year, accelerated by 1.8 days and their increment was the lowest since the beginning of the Eighth 5-Year Plan. However, the planned intentions in the utilization of inventories were not fulfilled. The development of inventories throughout the course of the year, particularly in December, is significantly uneven.

Payment difficulties in a number of organizations were connected with the high level of inventories. Throughout the course of last year their volume climbed to a level of Kcs 40 billion and at the end of the year it fell back to a level of Kcs 28.8 billion.

Non-investment appropriations given to economic organizations, which last year reached a total sum of Kcs 47.7 billion, still take up a considerable portion of the expenditure of the state budget. Of this amount, more than half was made available to the agricultural complex.

The budgeted appropriations for capital investment of economic organizations reached Kcs 12 billion.

At present we are working on a program for the reduction and gradual elimination of those appropriations made available from the state budget which arise out of the inefficiency, lack of economy-consciousness, and low level of economic performance of some enterprises.

Although the active foreign currency position, that is, Czechoslovakia's position as a creditor, has roughly doubled in the past 3 years, we cannot be satisfied with this development. Part of our foreign currency assets cannot be readily tapped and the structure of our claims and liabilities has worsened in terms of time structure and credit-worthiness. The dynamism of exports and foreign currency collection in free currencies is low and demands from the enterprise sphere an increase in imports, especially from the freely convertible currency sphere. This increases tension in the state's balance of payments. In the development of overall indebtedness we have not achieved the reduction assumed in the Eighth 5-Year Plan, and drawing on foreign credit last year was even higher than planned.

Last year, financial and monetary development was significantly influenced by an acceleration of the aggregate personal income and expenditure of the population. Aggregate personal income was Kcs 8.9 billion higher than assumed.

Earned income and transfer payments grew and interest increased in state-subsidized loans for newly married couples, for which the conditions have become more favorable. Also the greater influx of foreign tourists, particularly from socialist countries, influenced demand on the internal market.

In comparison with previous years, the expenditure of the population grew more quickly and was Kcs 11 billion higher than had been assumed in the plan. This manifested itself in an imbalance in the internal market and, particularly, in a shopping spree at the end of the year.

This pressure from higher earnings on the internal market was also accompanied by changes in the development of deposits made by the population in state savings banks. Their usual growth was less in 1988 and amounted to Kcs 13.8 billion. The volume of deposits made by the population represents Kcs 17,000 per inhabitant.

In order to stabilize the internal market, the CSSR Government adopted a series of measures aimed at improving supplies of consumer goods from manufacturing and increasing its imports. In the first quarter of this year this contributed to a certain calming of the situation. Despite this, particularly in some types of industrial goods, there are continued problems in meeting consumer demand.

Every year considerable budgeted resources are directed toward increasing the standard of living of the people and strengthening their social guarantees. In 1988 non-investment expenditure on social services and activities for the people amounted to Kcs 180.8 billion and, in comparison with 1987, was increased by Kcs 6.7 billion.

More than half of this expenditure is made up of resources for social security which reached Kcs 93.8 billion and, compared to 1987, increased by Kcs 2.7 billion. In harmony with the new measures, which became valid on 1 October 1988, pensions for 98 percent of pensioners were increased. On average, the old-age pension is Kcs 91 higher. Last year the increased social assistance to families with children, especially the annual influence of prolonged maternity leave and support while caring for a family member, was manifested in the growth of health insurance payments.

Non-investment expenditure on education represented Kcs 30.5 billion and this increase of Kcs 1.3 billion, in comparison with 1987, is manifested mainly in the growing salary outlay, including wage adjustments implemented at the end of 1987.

Kcs 31.1 billion of non-investment expenditure went for healthcare. The Kcs 1.7 billion increase in this amount compared to 1987 is linked in particular to the speedier growth of expenditure on medicines and special healthcare supplies by 10.1 percent.

Non-investment expenditure on culture in 1988 represents a sum of Kcs 6 billion.

The fulfillment of the planned tasks in the construction of new apartments is lagging behind, because in all forms of housing construction around 15,000 fewer apartments were completed. However, the invested budgeted

resources in housing construction were exhausted at the planned level, that is, Kcs 14.1 billion, because they were utilized for the accelerated realization of public and technological amenities and infrastructure to improve the comprehensive nature of housing construction.

Enterprise and social consumption which is reimbursed from funds for cultural and social needs and from the expenses of enterprises and budget-funded organizations is acquiring ever greater significance. Its volume has reached almost Kcs 30 billion and is constantly and quickly growing—last year by 6.5 percent—so that it has overtaken expenditure defrayed from the state budget for these purposes. Its considerable differentiation between individual organizations is not always socially and economically justified. In the very near future, the CSSR Government, along with the Central Trade Union Council, will discuss draft principles for a new legal amendment to this important sector of enterprise management, with the aim of increasing its ties to collective material incentives and of asserting of greater economy and rationality in this sector.

The favorable development of the international situation and gradual detente in the military sphere enable the gradual reduction of expenditure on defense, while guaranteeing the principle of defensive sufficiency, and the utilization of the freed resources to cover the pressing needs of the national economy. This was partially manifested in 1988 when the overall level of non-investment expenditure on defense and security in the structure of the approved state budget for 1988 amounted to Kcs 27.4 billion and savings exceeded Kcs 300 million, compared to the budget.

A more significant reduction in expenditure on defense will manifest itself favorably in the state budgets for the years 1989 and 1990. In harmony with international commitments, it is assumed that we will mover over to monitoring the level and structure of military expenditure in accordance with UN methodology.

Last year 4.5 percent of the budgeted resources for state administration, that is, almost Kcs 150 million, was saved in the central organs.

The development of costs in the management and administration sector and of various unproductive expenses was positively influenced by the fulfillment of the expanded program the economizing, approved by the CSSR Government in May 1988.

Along with the state final account for the year 1988, the CSSR Government is also submitting a report on the revision of the state budget of the Czechoslovak Federation and the summary of CSSR state budgets for this year under the new economic conditions. The necessity for a revision arose from the fact that from 1 January 1989 the restructuring of wholesale and purchase prices has been carried out, which represents the first step toward the gradual objectification of value instruments. At the same time, a number of changes also took place in other instruments for managing the economy. Considerable changes in the structure of budgeted income and expenditure for the entire budgetary system and its individual elements proceeded from the balancing which was carried out. The CSSR Government discussed the outcome of the revision at the end of April and adopted measures directed at guaranteeing the balance of the state budget for 1989 under the new economic conditions.

As a consequence of the revision, the intrinsic revenue base of the national committees was also strengthened by a tax on wages and by other payments to the volume of Kcs 26 billion. The redistribution processes within the framework of the budgetary system were restricted by this. Other measures aimed at strengthening the intrinsic revenues of the state budgets of the republics are being prepared in connection with the new law on budget rules from 1990. The revision of the state budget and financial plans for 1990 gives the departments and enterprises fundamental parameters for their economic performance under the new economic conditions. The CSSR Government will evaluate the results achieved in the financial and budget management in the first 6 months of this year and will adopt the necessary measures for this year and for the preparation for the 1990 plan.

We will continue to direct financial, budgetary, and monetary policy toward strengthening the economic balance.

Therefore, in May the CSSR Government adopted tasks aimed at strengthening the economic balance and improving the development of the national economy in the course of this year. An inseparable element of these tasks lies in the measures to secure the balance of the state budget and the monetary plan, including a reduction in certain budgeted appropriations.

The bills under preparation and other legislative measures proceed from the requirement to guarantee in a well-balanced manner the resources of the state budget for financing the economic development of the CSSR, the individual republics and selected spheres, the participation of the state in financing structural changes, and the development of social consumption by the population. At the same time, this will involve fixing the burden of taxes and levies on the enterprises and organizations, so that in the long term they stimulate economic activity and socialist entrepreneurship in manufacturing, in services, and in internal and foreign trade. This way will provide for the basic conditions and prerequisites for the implementation of the principle of self-financing from 1990, as it arises from the law on enterprises. From the above-mentioned principles there also proceeds the proposed comprehensive revision of the financial management of state enterprises. In order to balance out the starting economic conditions of organizations, the government approved the principles of the redistribution of

write-offs from 1991, which should also contribute to the acceleration of the necessary structural changes in manufacturing branches with an outdated manufacturing base.

Strougal Addresses Federal Assembly 20 Jun

AU2506181089 Prague RUDE PRAVO in Czech 22 Jun 89 pp 4, 5

[Statement by Lubomir Strougal, deputy of the Chamber of the People, at the 14th joint session of the Federal Assembly's chambers in Prague on 20 June: "Only Reform Leads to Desirable Changes"]

[Text] An analysis which points out causes and solutions is especially important in this period when we are determining the fundamental changes in the economy and policy, that is, when we are reassessing various spheres of our work to date from a new viewpoint. In this assessment, one has to take into consideration the level of the current knowledge, but, at the same time, not forget in what situation these or those decisions were made, what domestic or international motives were, or from what one proceeded when determining the strategy and theoretical steps in the given period. Only by confronting those viewpoints, can we arrive at correct conclusions, which will expediently support our reform efforts in all spheres of life, efforts which we have been setting out for ourselves since the 17th congress and the subsequent sessions of the party Central Committee.

This is a very responsible and demanding matter, if we take into consideration the personal views of people who have for decades been working in leading positions, especially in the center, but also at lower levels. It is not at all easy to ponder critically and self-critically one's own work, admit one's share of responsibility for developments which, despite the positive results that have been achieved, also reveal some grave unfavorable trends. Admitting responsibility for the past is the prerequisite for us feeling our coresponsibility for the present and the future. Otherwise the people will not understand us, and we will not obtain the so much needed trust when resolving conflicts, and adopting the weighty decisions necessary to the planned reforms.

In this connection, it would not be correct to forget that for 40 years the political and state leadership has not been inactive in respect to undesirable trends in the Czechoslovak economy. It is enough to leaf through the pages of history, in which some of us participated.

As early as 1957, the CPCZ [Czechoslovak Communist Party] Central Committee—then headed by Comrade Dolansky, intelligent national economist—addressed the fundamental issues of the management and planning system with the objective of going over from extensive to intensive development of the economy.

After the first unsuccessful reform step, the political leadership begins extensively working on the preparation of the second economic reform, which was adopted at the 13th CPCZ Congress in 1966. Putting this reform into practice (one experimented with some of its elements already prior to the congress), yielded positive results in the second half of the 1960's and the beginning of the 1970's, when we recorded the highest national income increase—5 to 7 percent annually. Yes, the reform was affected, among other things, by the 1968 events, but by its content and concept—as it is contained in the resolutions of the 13th congress—it was fully viable; it contained—for that time—progressive aspects pertaining to the development of the economic mechanism, and thus there was no reason to return to management by central command. Unfortunately, this is precisely what happened in the 1971-75 period. The gradual dismantling of the individual elements of the economic reform logically led to the return to the system of management by administrating command, a matter that considerably influenced the further continuation of the economy's extensive development, and led to a gradual reduction in the increase of the national income—especially in the 1980's.

It is only the document, The Principles of the Restructuring of the Economic Mechanism, which was adopted at the 17th CPCZ Congress, that brings fundamental changes in the system of management. The preparatory work was done at the beginning of the 1980's, and the concept of this—already third—reform then met in the center with a strong opposition, when this reform was being depicted as an unacceptable concept of unrestrained market economy. One has to openly admit that only the developments in the Soviet Union have created in our country an atmosphere for the adoption of the principled document, which paves the way for a radical economic reform. Yes, we are rightly asking why there were those various reversals in development, why we advanced and then retreated, and were losing time in the process. Simply, today it is necessary to note again that politics is the art of the possible, and in this connection the possible has influenced not only domestic but also international contexts.

Thus, we are finding ourselves in the stage of carrying out a fundamental economic reform, and this in a situation which from the viewpoint of practical prerequisites is not at all favorable. This also arises from the report delivered by the premier. The abandonment of the economic reform at the beginning of the 1980's was a grave mistake, a matter that is attested to by the development at the end of the 1970's and the beginning of the 1980's. This time was characterized by steadily decreasing dynamics and intensifying imbalance in all spheres of the reproduction process. We must admit to ourselves that we have not learned anything from the past experience. The Eighth 5-Year Plan—without having created favorable conditions, especially from the viewpoint of the change of the system (and there were

innumerable discussions about this)—has set an unrealistic pace of growth. The fulfillment of the tasks of the Eighth 5-Year Plan, as it is known, is way down below the targets. The planned resources are not being created, but regarding the use, one proceeds in accordance with the approved 5-year plan. As a result, the expenditure has been growing twice as fast as the national income in the course of the Eighth 5-Year Plan.

The intensification of the imbalance in recent years, especially in the years of the Eighth 5-Year Plan, but even as early as in the Seventh 5-Year Plan, creates a grave danger for restructuring becoming discredited, and increases inflationary pressures. Should we not take an action in time—and the Federal Government has been trying to do just that—that is, still in the course of this 5-year plan, the situation could become very seriously complicated.

Thus, the conflicting developments in the national economy elicit discussions about the suitability or unsuitability of a radical reform in the existing situation. This is not at all a new phenomenon. Similar views always used to crop up at the beginning of a new reform. For example, the view that we should first put in order the economy, the supplier-user relations, the domestic market, the capital construction, create the necessary financial reserves, and so forth, and only then return to reforming the management system. But how can one overcome stagnation, how can one motivate enterprises to increasing performance under the existing—today and already yesterday long outdated—management system by central command? After all, developments have tellingly convinced us that only by means of a principled reform can one achieve the desirable change, improvement, the gradual turn. It is obvious that this is a process, that demonstrable results cannot be achieved overnight, that in the initial stage of the reform, difficulties in the economy can even intensify and become complicated in certain respects. But only by implementing reform measures it is possible to create prerequisites for the intensification of the economy, and resolve weak spots in the economy. There is no other way, we simply have no alternative. This is also obvious from the report of the federal premier.

Thus, the important thing is not to retreat from the fundamental principles of the reform. A differentiation of views on the concept and tasks of the reform will deepen precisely when conflicts arise—and they will certainly arise when we will set demanding criteria for work collectives—and given the impatience intrinsic to us, and when the changes for the better do not materialize soon (and this cannot be realistically expected). It is logical that when it comes to such weighty changes, there are people who stand behind restructuring, who are able to implement and further develop it, but there also are hesitating people, and there are opponents. The views that the reform is a temporary enforced retreat, which an article in HOSPODARSKE NOVINY compared with Brest Litovsk peace, must be rejected. Views have been cropping up that the party program should be prepared first, then the Constitution, followed by the center's legal amendment, and the law on planning, and only then, the law on enterprises. How "logical" this sounds! The reform of a reform or postponing it simply have no chance of succeeding.

A document on practical and systemic prerequisites for the reform was approved in January 1988. It stresses the importance of creating equal relations. This cannot be achieved by means of reducing the planned dynamics alone. It is impossible to continue the untenably high money supply, but it is necessary to apply stricter criteria, otherwise the fiscal imbalance would increase, which then—whether we want it or not—will become projected into all spheres, including unsatisfactory domestic market.

We have to admit to ourselves that in the Eighth 5-Year Plan, in this respect we are intensifying the imbalance directly by the plan under the existing administrative-command system, by a plan which passively copies the budget, and by a financial system which, without regard for actual, not fictious, resources finances everything. This is a trend which must be changed and gradually reversed.

Let us self-critically admit that in the past two 5-year plans we simply did not master the system of managing the money-market balance, and we still do not. It is necessary to clarify the role of the market under the new economic mechanism. The plan must be in harmony with the needs of the market. The task of the plan is to actively influence the market, but we cannot artificially suppress it, or ignore it, because this means loss of orientation.

It is correct that we demand that the newly established state enterprises be up to their task to develop their entrepreneurial activity with initiative. However, if the newly established economic units are to make use of their independence and implement the principles of self-financing, the center must set for them criteria and normative rules, clear rules of the game, which will apply for at least a medium term, although certain changes might occur (but, again, according to rules determined in advance).

Determining normative rules, levies, as well as specific tasks, is a complex task. I know that these issues are being worked on. I can think of various restrictions and difficulties which the given situation presents, but we must create the necessary motivation, the prerequisites, for determining the economic criteria, albeit gradually in some spheres. How can we speak about motivation of those enterprises from which we are still siphoning off 90-93 percent of the profits under the system of administrative command. Involved is not only the great extent of the siphoning off of resources, but also their subsequent redistribution, when less-than-mediocre managers are receiving resources from good managers. In the

decades of the existing system's functioning, we could clearly see its effects on morale, initiaitve, and responsibility. At the same time we must always keep in mind—and this is one of the most explosive problems—that we want to create uniform criteria. Only in this way it is possible to compare and measure what is and what is not efficient and develop and support everything advanced while suppressing losses. This necessarily elicits various complications, but uniform criteria—even though the starting base will be shortly taken into account—are the only just criteria for work collectives.

I believe that the new concept of the 1990 plan and the clarification of the methodology of planning in general will be in harmony with the principles of the reform. Various difficulties will crop up. The new planning methods must also include the general regulation of structural changes. We must prepare ourselves well for this. Changes in production programs will be enforced in some enterprises. Insisting that enterprises can change nothing in that respect would not be rational and realistic. The most important thing is effectiveness and the center should intervene in material relations only in the most serious cases.

Retreating from principles, even if sincerely meant as temporary, could lead us astray.

I am convinced that despite all the facts about the complex situation in the Czechoslovak economy, this country has good, perhaps the best, prerequisites of the socialist countries for an economic reform. We have the prerequisites for making use of this historical opportunity.

Police Withdraw Passport From Havel's Wife

AU2806075489 Vienna DIE PRESSE in German 28 Jun 89 p 2

[Text] CSSR police have withdrawn the passport of opposition playwright Vaclav Havel's wife and justified this action by saying that her forthcoming visit to Austria is not in the state's interest.

Readers' Questions on Events in Hungary

AU2706094289 Prague RUDE PRAVO in Czech 24 Jun 89 p 6

[Unattributed report: "On Developments in Contemporary Hungary; Our Longtime Budapest Correspondent Replied for 4 Hours to Readers' Telephone Questions"]

[Excerpts] On Tuesday [20 June], our editorial office arranged a phone-in between readers and Gejza Vilcek, the longtime RUDE PRAVO and PRAVDA Budapest correspondent, on contemporary developments in the Hungarian People's Republic. The questions rained down one after the other for a full 4 hours. First and foremost, our readers requested an elucidation of some of the phenomena in contemporary political events in Hungary, of the activity and aims of the Hungarian opposition, of the activity of youth organizations, and of the prospects and possibilities for solving the economic and political problems facing our southern neighbors. Also in the queries, questions were raised on which routes development in Hungary will further take. The question was often repeated about the attitude of Hungary toward the Warsaw Pact and CEMA. Questions also cropped up concerning the Gabcikovo-Nagymaros dam project.

Some readers requested from RUDE PRAVO "a fundamental point of view" toward political and economic events in Hungary. In these cases, our reporter recalled, first and foremost, the Communist Party of Czechoslovakia [CPCZ] Central Committee point of view on development in Hungary, which Comrade Milos Jakes expressed in his speech at the 14th CPCZ Central Committee session. [passage omitted]

Let us quote at least some of the often repeated questions from the phone-in (we do not guarantee the accuracy of readers' names):

Jiri Pavek from Kralovice and others: Last week the burial of Imry Nagy's remains took place. There was no official representative of the Hungarian Socialist Workers Party [MSZMP] at the funeral. What does this mean? Does the MSZMP officially agree with his rehabilitation? Has it already been made clear whether in Hungary in 1956 there was a counterrevolution or a popular uprising?

[Vilcek] The MSZMP does not only agree with the rehabilitation, but has also acted with initiative in the interest of ensuring that the legal records from the trial of I. Nagy are reexamined. The proposal for legal rehabilitation has been submitted to the Supreme Court. In an 8-point explanation, the General Prosecutor's office announced that the verdict against the former Hungarian premier was not even in harmony with the laws which were valid at that time. In order that the MSZMP can adopt a responsible point of view toward the issue of the party rehabilitation of I. Nagy, it is necessary to examine more deeply his deeds in responsible posts.

According to the opinion of responsible MSZMP representatives, it is not possible to unequivocally answer the question whether there was a revolution or counterrevolution in Hungary in 1956. Whether it is called a revolution or popular uprising it will always certainly be a simplification, because processes during this period were much more complicated than can be judged from these characterizations. The MSZMP Historical Commission in its study, in which the term "popular uprising" appeared for the first time, states: "The broad masses had been duped and humiliated, they were bitter and allowed themselves to be carried along at that time by demands which were still ambiguous. The ruling organs lost touch with the masses and put off dialogue

for so long until differences became blurred between heterogeneous social groups, who then rose up together against the party leadership and the government."

An evaluation of the individual stages of their own history is indisputably the internal affair of the Hungarian people. This also concerns the tragic events in Hungary in 1956. However, it is even impossible not to agree with Miklos Nemeth, the present Hungarian premier, who said in a recent interview with MTI: "Hungary considers it normal that the evaluation of the events of 1956 is different in each country, which is again their internal affair...."

Engineer Julius Gaspar from Lucenec: What is actually happening in Hungary? Is it incitement, as reported in our country, or national reconciliation as reported in Hungary?

[Vilcek] Radical and extreme views are also unavoidably cropping up in contemporary events in Hungary. Owing to the fact that they are being given space in the mass media, they can create the impression that they determine the direction for the development of Hungary. The truth is that these opinions exist and have an effect, sometimes voices are also heard demanding the reintroduction of the bourgeois system. The strength of these voices is variable. However, it is impossible either to overestimate them or underestimate them. The point is that these voices are being allowed to express themselves more and more. Comrade Jan Fojtik expressed this figuratively in his speech on the 70th anniversary of the declaration of the Slovak Republic of Soviets, when he said that beneath the banner of the renewal of socialism in Hungary opponents and counterrevolutionary forces are also lining up in more than one case. On the occasion of I. Nagy's funeral, all the opposition groups and parties announced that this act of piety should serve as a national reconciliation. However, some opposition representatives—three out of the six speakers—spoke at the mourning event in an opposite intent. Therefore, this event in no way appears to us to be a step toward national reconciliation but just the opposite.

Jan Landa from Prague 4: Does the Hungarian Government have the sympathy of the working people? Is it true that if Hungary withdraws from the Gabcikovo-Nagymaros dam project it will receive a considerable sum from the United States?

[Vilcek] It is difficult to talk about the sympathies of the working people toward a government that has been forced to adopt a number of unpopular measures. It is battling against 15-18 percent rate of inflation, paying back its foreign debt to the tune of almost $18 billion, and a high state budget deficit amounting to 29 billion forints. According to my experience, the working people know well that no government can expect a solution to these problems by some sort of miracle and, therefore, they are supporting the government in its endeavors. However, the opposition is trying to discredit the government with various objections, for example, to individual investments such as the Gabcikovo-Nagymaros project.

So far, I know nothing about the sum which Hungary would receive from the United States for its non-participation in the Danube dam project. No one has written about this in Hungary. It is not a habit of banking circles to provide money only because someone will not do something. Hungary cannot expect a gift but, on the contrary, by not completing this project it can expect considerable national economic losses. By not building the barrage, the situation would arise when Austria, besides compensation, would also demand the fulfillment of commitments to supply electricity up to the year 2020. It is impossible to live up to this commitment without investments for energy. In the present economic situation, the cancellation of supplies by Hungarian companies for this construction, would also mean a great blow for the export efforts of Hungarian industry. These supplies are in fact exports for the Austrian company Donaukraftewerke and their cancellation would mean a loss of 2.5 billion forints in hard currency. The definitive suspension of work would thus cause a greater economic burden than its completion.

J.V., a pensioner from Prague 10: What will happen with supplies of medicines from Hungary? If Hungary has broken its agreement on the dam project, it can obviously, similarly, break other agreements on supplies.

[Vilcek] The problems concerning the construction of the Gabcikovo-Nagymaros dam are linked with economic and ecological issues which it is necessary to clarify as soon as possible between our two countries. Supplies of medicines and other goods from Hungary are in no way connected with this. Up until now Hungary has been a reliable supplier. The mutual exchange of goods is growing and both countries are operatively resolving some shortcomings. However, while it is always necessary to reckon with unforeseen circumstances, the production of medicines in Hungary is not only efficient, it also has great prospects.

Viliam Polena from Nove Zamky, A.G. from Dudince, and others: What truth is there in the report that Hungary wants to leave the Warsaw Pact and CEMA?

[Vilcek] The declaration of neutrality and bringing up the possibilities of leaving the Warsaw Pact or CEMA, belong to the arsenal of demagogic methods of part of the Hungarian opposition and some Western mass media. Here, desire rather than fact is playing its role. The fact is that the participation of Hungary in the Warsaw Pact is an inseparable element of the European balance of forces. On this balance are founded many treaties and agreements concerning European security, and also agreements between the superpowers—the Soviet Union and the United States. Hungary's withdrawal from the Warsaw Pact alliance would mean a disruption of this

balance. Therefore, obviously it is not even in the interest of one side that this should happen. Hungary is and remains a member of the Warsaw Pact. The situation is similar in the issue of its membership of CEMA. The well known Hungarian economist, Ferenc Kozma, said recently in NEPSZABADSAG that if Hungary were to withdraw from CEMA the immediate consequence of such a step would be 1 million unemployed. It arises from these figures that withdrawal from the Warsaw Pact or from CEMA is only the irresponsible propaganda of opposition and antisocialist forces, although, of course, it is impossible to discount the fact that this is for them, indeed, also a program.

Ivan Bazant from Bratislava: What is your opinion on the situation in the Hungarian youth movement after the demise of the KISZ [Communist Youth League] organization? What are the prospects for the development of the youth movement in Hungary?

[Vilcek] "KISZ has been held together only thanks to bureaucratic ties," said its general secretary prior to the last KISZ congress. Therefore, it was necessary to place the youth movement on new foundations. In Hungary, they have chosen a form of building an organization from below and this has resulted in the growth of several dozen specific independent organizations, separate according to the interests of individual ranks of young people. Organizations which evolved on the basis of the former KISZ organization are all leftist-oriented organizations and support the endeavors of the MSZMP. They are affiliated under the umbrella organ DEMISZ (Federation of Democratic Youth of Hungary). Karoly Grosz, general secretary of the MSZMP, defined this reorganization as promising. The number of members of the youth organizations has fallen but their activity has substantially increased. At the moment, too short a period of time has passed for us to be able to evaluate the results of the reorganization, but during discussions between the MSZMP and the opposition, it is clear that leftist oriented youth organizations stand on the side of the MSZMP. In this new form, DEMISZ will be able to more operatively confront attacks made by opposition youth organizations, first and foremost, by the Union of Young Democrats (FIDESZ).

Jaroslav Pavel from Prague 8: What will the situation be regarding tourism to Hungary? What will the official exchange rate be between the koruna and the forint?

[Vilcek] On the Czechoslovak side, tourists often complain about the fact that the official exchange rate between the koruna and the forint has not changed for a long time. As a consequence of inflation, prices in Hungary are rising and for Czechoslovak tourists this means a reduction in the value of their foreign currency resources. This is really the case. According to my information, talks are continuing between the national banks of our countries on how to resolve this problem. As it is known, the Polish People's Republic has already devalued its currency twice against the currencies of socialist countries. However, it is necessary to tell the truth that it is possible to buy some goods in Hungary cheaply even at the present rate of exchange. This, however, does not change anything in the pressing need to resolve the mutual exchange rate between the koruna and the forint. [passage omitted]

Engineer Jaroslav Konecny from Frydek-Mistek: What kind of new political parties have evolved in Hungary and how big are they?

[Vilcek] I lived through a period in Hungary when a week did not go by without one or more new political parties being formed. To name them would be difficult because after their evolution some of them soon disintegrate into other ones. The more significant new parties are the Social Democratic Party, the Smallholders Party, the Free Democrats Party, the People's Party, and others. However, among opposition forces we must include not only the new political parties, but also the movements which have declared that they do not want to be political parties but want to influence political events in other forms. Such a movement is the MDF (Hungarian Democratic Forum) or the Federation of Young Democrats (FIDESZ) and some organizations which call themselves independent trade unions. Among these organizations and parties are both organizations with a small number of members—several hundred persons—and organizations whose membership base is close to or has reached tens of thousands of members. At present, these new parties are building up their bases in the counties and the cities, but there are also those parties which restrict themselves to a narrow circle and are comprised, practically, of their leadership alone. In considering the political influence of these parties, it is impossible to rely on their size only. In the Hungarian mass media, the practice has become common through which each political organization or movement receives the same possibility of publicity in the central press, radio, or television. From our viewpoint, this seems considerably unjust. The opinions of supporters of a 150-member extremist organization are heard on television by 10 million viewers just like the arguments of representatives of 4 million-member trade unions. Their influence on the listener is the same, although they represent political forces which are incomparable. Therefore, it also seems to some of our citizens who watch Hungarian television broadcasts or who listen to the radio that they are hearing an official point of view, while what they are hearing from their receivers are, sometimes, voices from opposition groups with little political weight.

In the case of the existence of various political parties who, as a rule, want a return to the past, we must constantly bear in mind that they place the issue of power at the forefront of their programs. And the question "who is the stronger" is decisive for the adoption of a concrete point of view on events in any country. That is, also in Hungary. [passage omitted]

Miroslav Kvapil from Prague: What kind of official support is there for private enterprise in Hungary?

[Vilcek] Private enterprise in Hungary began to expand after 1956, as we have already reported several times in RUDE PRAVO. At present, state organs are continuing to support the development of the private sector. For example, one of the forms of social assistance in unemployment is also the provision of advantageous loans to establish a workshop or a business. A total of 33,500 businessmen who employ 23,000 people are recorded in retailing. In Hungary, more than 150,000 people in total are involved in private enterprise. A prerequisite for such activity is a qualification in an appropriate subject, good moral conduct, and entry into the Union of Small Producers. This union remains vigilant to ensure that the activity of its members is correct and that they carry it out in accordance with the regulations and laws. It fulfills the function of a chamber of commerce. According to the newest regulations, in private enterprise it is possible to employ up to 500 people. However, such a large private enterprise does not exist in the meantime. [passage omitted]

Jozef Rybicka from Chynorany: Will the present situation in Hungary not have a negative influence on the southern region of Slovakia? Will it not be us Slovaks who will have to be afraid in the end?

[Vilcek] I can assure our reader that the danger which he fears does not threaten us. On Monday [19 May] of this week, I became acquainted with the letters which Czechoslovak citizens of Hungarian nationality have been writing to Hungarian television. Among them are many such letters which draw the attention of the managers of Hungarian television to the fact that the unobjective information concerning the status of the Hungarian nationality in Czechoslovakia provide Czechoslovak citizens of this nationality in fact with a bad service. This does not contribute to the mutual relations between citizens of Slovak and Hungarian nationality in the southern regions of our state. What our fellow citizens of Hungarian nationality fear most of all are national differences in the place where they live. They regard the Czechoslovak Socialist Republic as being their homeland, in which they feel good, for which they are working, and as it arises from the results of the activity of the agricultural and industrial enterprises in the areas occupied by them, they are working well. Not words from abroad, but the reality at home influence their stance.

XXX

The phone-in between Gejza Vilcek, our former Budapest correspondent, and readers could not give extensive replies to all the questions which our citizens are now asking in connection with developments in Hungary. The moreover, it could not provide an analytical viewpoint. However, it was possible to feel one thing indisputably from the substance of the questions put over the telephone: that our fellow citizens wish their southern neighbors success in overcoming today's difficulties so that Hungary is, in the economic and political sense, a stable element of the socialist community. (Editorial office)

Honecker Departs for Working Visit in Moscow

LD2706134189 East Berlin ADN International Service in German 1242 GMT 27 Jun 89

[Text] Erich Honecker, general secretary of the Socialist Unity Party of Germany Central Committee and chairman of the GDR Council of State, left this afternoon for a working visit to Moscow. His visit follows an invitation from the CPSU Central Committee. Afterward, Erich Honecker will go to Magnitogorsk to attend celebrations marking the 60th anniversary of the city's founding.

Members of the party and state leadership said a warm farewell to Erich Honecker at Berlin-Schoenefeld Airport. Vyacheslav Kochamasov, Soviet ambassador to the GDR, also was present.

Talks With W. Berlin Trade Union Concluded

AU2606142189 East Berlin NEUES DEUTSCHLAND in German 23 Jun 89 p 2

[ADN report: "Talks Between FDGB and Berlin (West) DGB"]

[Text] East Berlin—The delegation of the National Executive Council of the Free German Trade Union Federation [FDGB], headed by Chairman Harry Tisch, and the delegation of the Berlin (West) Area Executive of the German Trade Union Federation [DGB], led by Chairman Michael Pagels, met for concluding talks in Berlin on Thursday [22 June]. During a candid exchange of information and views, the two sides stressed the usefulness of contacts between the two countries' trade unions in order to develop good-neighbor relations between the GDR and Berlin (West) in accordance with the Berlin Agreement. They discussed a great number of issues concerning the trade unions' representation of interests and international developments.

In a press release, they concurred that efforts by the trade unions to safeguard peace are the major concern of the trade unions' representation of interests. These activities are primarily to be aimed at continuing the process of disarmament that has been initiated, and at using the means that are released in this way for the well-being of the people.

Harry Tisch emphasized the FDGB's full support for an active peace policy of the Warsaw Pact states, to which the GDR is making specific contributions. The delegation of the Berlin (West) Area DGB pointed out that NATO must now orient its security strategy toward disarmament and an inability to attack. Not modern and new weapons systems, but further steps toward reducing weapons and armed forces are the dictates of the moment.

Following the tradition of the antifascist struggle of the trade unions, both sides protested resolutely against the resurgence and the activities of right-wing extremists and neo-Nazi forces in Berlin (West) and the FRG. The trade unions reaffirmed the following principle: War and fascism must never again start from German soil.

Harry Tisch emphatically stressed the inviolability of the GDR's borders and the respect for the territorial integrity and sovereignty of all states in Europe within the present boundaries as the basic preconditions for the preservation and safeguarding of peace in Europe. He reported on the FDGB's active contribution to further shaping the developed socialist society in the GDR as a unified process of continuity and renewal for the well-being of the people. His reports on the results of the trade union elections and safeguarding the comprehensive rights of the trade unions in socialist democracy met with respect.

Michael Pagels explained the policy of the Berlin (West) Area DGB and its individual trade unions, which is aimed at reducing the impact of mass unemployment by creating new jobs and improving publicly assisted housing, and at creating a pleasant environment. Thus, the Berlin (West) DGB section will advocate the use of the recreation areas on GDR territory near Berlin (West), and open talks on this issue with the Senat. FDGB and DGB are in agreement that the contract on the supply of energy serves both the economic and ecological interests of both sides. The DGB delegation stressed that measures to achieve changes in the consumption of primary energy in Berlin (West) and the use of regenerative energy sources continue to be indispensable.

The talk was attended on the FDGB side by Arthur Czadzeck, member of the Presidium, secretary of the FDGB National Executive Council, and chairman of the Potsdam FDGB Bezirk Organization, and on the DGB side by Manfred Mueller, chairman of the Berlin (West) Executive of the commerce, banking, and insurance trade unions; Juergen Wingefeld, chairman of the industrial trade union for the chemical industry, paper, and ceramics; and Detlef Prinz, spokesman of the meal workers industrial trade union; as well as Hans-Joachim Keller from the DGB of Berlin (West).

Romanian Judicial Delegation Pays Visit

Krenz Receives Delegation

AU2206110489 East Berlin NEUES DEUTSCHLAND in German 20 Jun 89 p 2

[ADN report: "Delegation of Romanian Supreme Tribunal Visits Central Committee"]

[Text] East Berlin—Egon Krenz, Politburo member and secretary of the Central Committee of the Socialist Unity Party of Germany [SED], received a delegation of the Supreme Tribunal of the Socialist Republic of Romania, headed by President Joan Salajan on Monday [19 June]. The Romanian visitors are in the GDR for an exchange of views at the invitation of the president of the GDR Supreme Court.

The two sides stressed the mutual usefulness of lively fraternal cooperation between the SED and the Romanian Communist Party [RCP] and the two states, which

is developing on the basis of the agreements concluded between the two highest representatives of both parties and states, Erich Honecker and Nicolae Ceausescu.

Egon Krenz briefed the visitors on the preparations for the 12th SED Congress. Referring to the development of the state and legal order in the GDR, he stressed that it is taking place according to plan on the basis of the SED program. It is being shaped in accordance with the degree of maturity of the socialist society. It is aimed at strengthening the worker-peasant power, at the strict observance of the socialist rule of law, at safeguarding the dignity of man, and at guaranteeing the rights of the citizens at all time as laid down in the GDR's Constitution. The strengthening the socialist state power in the GDR is linked with the increasingly broad involvement of the citizens in the decisions, in carrying out and controlling the tasks in all social spheres. Egon Krenz pointed out that steadily improving democratic participation by all, and enabling the citizens in political terms and in terms of knowledge, in accordance with the increasing demands, to do that is in keeping with the nature of the SED's policy.

Joan Salajan elaborated on the preparations for the RCP Congress scheduled for November 1989. He stressed the usefulness of the lively exchange of views and experiences between the two states, and paid tribute to the good cooperation between the highest courts of the two countries.

The meeting was attended by Guenter Sarge, president of the GDR Supreme Court. Gheorghe Caranfil, Romanian ambassador to the GDR, was also present.

Lawyers Conclude Visit

AU2606153989 East Berlin NEUES DEUTSCHLAND in German 24-25 Jun 89 p 2

[ADN report: "Romanian Lawyers Conclude Visit to GDR"]

[Text] Berlin (ADN)—The delegation of the Supreme Tribunal of the Socialist Republic of Romania, headed by its president, Ioan Salajan, has concluded its visit to the GDR. It visited the Republic at the invitation of Dr Guenter Sarge, president of the GDR Supreme Court.

The delegation was received by GDR Prosecutor General Guenter Wendland and GDR Justice Minister Dr Hans-Joachim Heusinger for talks.

French Friendship Society Delegation Visits

AU2606154189 East Berlin NEUES DEUTSCHLAND in German 24-25 Jun 89 p 2

[ADN report: "French Delegation Visits GDR Foreign Ministry"]

[Text] Berlin (ADN)—On Friday [23 June], in Berlin, Deputy Foreign Minister Kurt Nier received a delegation of the France-GDR Nation Friendship Society, headed by its president, Prof Georges Castellan, which is visiting the GDR at the invitation of the GDR League for Friendship Among Peoples. In a friendly talk, Kurt Nier explained the GDR's foreign policy aimed at strengthening peace, disarmament, and cooperation to unite peoples. He paid tribute to the activities of the friendship society as an important contribution to develop the friendly relations between the two peoples.

The French guests agreed with the opinion that great efforts are still required all over the world, to make progress achieved in detente and the securing of peace, irreversible. They stressed the good development of cooperation between the two countries on a governmental and social level, and seemed to be impressed by the numerous events surrounding the 200th anniversary of the French Revolution, which are being organized in the GDR.

NDPD Holds Jubilee Antifascist Colloquium

AU2606152789 East Berlin NEUES DEUTSCHLAND in German 23 Jun 89 p 2

[ADN report: "Colloquium at Central Party School of National Democratic Party of Germany"]

[Text] Strausberg (ADN)—A colloquium on the forthcoming 45th anniversary of the patriotic antifascist action of 20 July 1944 took place in the Central Party School of the National Democratic Party of Germany [NDPD] in Waldsieversdorf on Thursday [22 June]. Erhard Lonscher, member of the Presidium and the Secretariat of the NDPD Executive Committee, stressed in his lecture that the courageous patriotic act of this conspiration, the antifascist action of a socially, politically and ideologically diversified coalition to terminate the rapacious and destructive war of Hitlerite fascism against the peoples of Europe, was a beacon of political reason. Now, in the 50th year since the end of World War II, this act also provides basic findings and lessons for the political struggle to prevent a nuclear inferno and to prevent war as such. In view of neo-Nazism spreading in the FRG and Berlin (West), the motives of Graf Schenk von Stauffenberg's findings have not lost their topicality and importance, he stated.

Erhard Lonscher portrayed the various personalities and groups who were involved in the conspiration of 20 July 1944, and referred to the efforts of the patriots around Stauffenberg to establish contacts with the Communist Party of Germany and the "Free Germany" National Committee.

People's Navy Ship Visits Piraeus Port

AU2606142489 East Berlin NEUES DEUTSCHLAND in German 23 Jun 89 p 2

[ADN report: "People's Navy Ship Docks in Piraeus"]

[Text] Athens (ADN)—On Thursday [22 June], the "Wilhelm Pieck" motor training ship of the GDR People's Navy entered port in the Greek city of Piraeus during its "Great Voyage 89." It is accompanied by the supply ship "Darss".

Shortly after arrival in Piraeus, Rear Admiral Klaus Kahnt, commander of the formation, had a first talks with Commodore Apostolos Vassiliades, director of the Greek Naval Academy.

Writers Demand Change in Brown Coal Mining Plan

AU2406195989 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 24 Jun 89 p 1

[EPD/FR report: "Save the Sorbian Villages"]

[Text] Berlin, 22 June—The Presidium of the GDR Writers' Association has called on the government to change the plans on brown coal open-pit mining at Nochten in Cottbus Bezirk, in order to save four Sorbian villages that are very important for the ethnic existence of the only national minority in the GDR. As has now become known in West Berlin, the Presidium of the Writers' Association has taken an unprecedented step with this unanimously agreed statement.

So far, only church organizations have publicly criticized the plans on brown coal open-pit mining. For instance, the ecumenical assembly stated in Dresden in April: "Brown coal open-pit mining deprives people of their homeland, and destroys the landscape, culture, and social structures."

The statement of the Writers' Association, which is addressed to the GDR Council of Ministers, says that the step of expanding brown coal open-pit mining, which seems to be inevitable because of economic necessities, means impoverishment and "dredging away" an ethnic living space, and it means the curtailment of human wealth. The loss would be irrevocable and all the more painful because it is partly attributable to lavish energy consumption.

The Sorbs are a west Slavic tribe that has settled north of the Erzgebirge since the Middle Ages. Since 1945, they have been granted cultural autonomy with their own primary schools as well as secondary schools in Cottbus and Bautzen. Since 1948, their language, which resembles the Polish and Czech languages, and their schools have been protected by law.

Daily Publishes 1988 Budget Report

AU1906171389 East Berlin NEUES DEUTSCHLAND in German 9 Jun 89 pp 2, 3

["Budget Report for 1988"]

[Text]

A. Implementation of Revenues and Expenditures of the State Budget

	in millions of marks
Revenues of the state budget	269,699.1
Expenditures of the state budget	269,465.7
Surplus of revenues over expenditures in 1988	233.4

B. Implementation of Important Revenues and Expenditures of the State Budget According to Sectors

	Actual Revenues 1987	Actual Expenditures 1987	Actual Subsidies (-) Surplus (+) 1987
		—in millions of marks—	
People's Chamber	—	11.0	- 11.0
State Council	0.2	13.9	- 13.7
Council of Ministers	37.6	149.9	- 112.3
State apparatus	366.2	4,502.6	- 4,136.4
—central state apparatus	307.5	2,166.4	- 1,858.9
—local state apparatus	58.7	2,336.2	- 2,277.5
Coal and energy	13,760.4	5,327.2	+ 8,433.2
Ore mining, metallurgy, and potassium	13,433.6	4,639.7	+ 8,793.9
Chemical industry	22,282.9	6,635.0	+ 15,647.9
Electrical engineering and electronics	14,949.0	5,129.4	+ 9,819.6
Heavy machinery and installation construction	6,996.4	317.5	+ 6,678.9
Machine tool and processing machinery construction	4,527.5	501.7	+ 4,025.8
General machinery, agricultural machinery, and vehicle construction	8,260.2	2,071.4	+ 6,188.8
Light industry	9,023.3	2,301.8	+ 6,721.5
Glass and ceramics industry	3,899.6	340.8	+ 3,558.8
Geology	2,546.3	621.5	+ 1,924.8
Bezirk-administered industry and foodstuffs industry	21,594.7	1,936.2	+ 19,658.5
Construction sector	11,613.9	1,670.0	+ 9,943.9
Transportation sector	14,180.7	9,594.3	+ 4,586.4
Mail and telecommunications	1,053.1	77.7	+ 975.4
Water management	2,819.3	1,786.2	+ 1,033.1

	Actual Revenues 1987	Actual Expenditures 1987	Actual Subsidies (-) Surplus (+) 1987
		—in millions of marks—	
Agriculture and foodstuffs including cooperatives	12,478.0	9,429.3	+ 3,048.7
Forestry	1,065.1	265.2	+ 799.9
Domestic consumer goods trade	5,603.9	571.6	+ 5,032.3
Academy of Sciences	871.0	1,348.4	- 477.4
Housing	—	16,025.8	- 16,025.8
Measures to safeguard stable prices for the population	—	49,811.2	- 49,811.2
Public education	402.4	10,417.5	- 10,015.1
University and technical school sector	271.3	3,736.0	- 3,464.7
Vocational training	10.0	1,159.6	- 1,149.6
Health and social sector	9,315.9	17,800.6	- 8,484.7
Social insurance	18,822.3	36,274.5	- 17,452.2
Culture	1,038.2	2,993.7	- 1,955.5
Sports	133.5	1,060.5	- 927.0
Recreation	127.1	578.5	- 451.4
Youth	376.3	693.6	- 317.3
Television	472.4	630.9	- 158.5
Radio	129.2	289.2	- 160.0
Local measures and services	134.5	1,133.1	- 998.6
Foreign policy tasks	136.9	389.6	- 252.7
National defense	—	15,654.0	- 15,654.0
Public security and safeguarding of the national border	—	5,993.0	- 5,993.0
Civil defense	1.1	73.3	- 72.2
Fire protection	3.8	114.8	- 111.0
Payments by banks	9,830.5	—	+ 9,830.5
Taxes and duties	20,815.7	—	+ 20,815.7

C. Implementation of the Main Positions of Revenues and Expenditures of the State Budget

I. State-owned economy and socialist agriculture

	in millions of marks
1. State-owned combines and enterprises	
—On the basis of the further increase of the national economy's capacity and efficiency according to plan by means of comprehensive intensification, the state-owned combines and enterprises (without agriculture, forestry, and the foodstuffs industry) made payments to the state budget amounting to	193,463.3
of that:	
Levies from production and trade funds	30,030.6
Net profits	43,577.7
Contribution to social funds	35,193.7
Product-specific levies	43,108.2
—For the further development of the material-technical basis and for the promotion of intensification, the state-owned combines and enterprises (without agriculture, forestry, and the foodstuffs industry) claimed a total of	84,536.1
from the state budget in addition to their own funds for the financing of scientific-technological tasks, for investment projects, product-specific price subsidies for producer goods, and for other production-promoting measures.	
2. State-owned combines and enterprises and socialist cooperatives of agriculture, forestry, and the foodstuffs industry	
—In line with the performance and efficiency targets that were reached, the state-owned enterprises of agriculture, forestry, and the foodstuffs industry, and the socialist cooperatives of agriculture and their cooperative institutions paid to the state budget a total of	12,478.0
of that:	
Levy of state-owned cooperatives and enterprises of the agricultural and foodstuffs sector	7,178.7
Economic levy of agriculture	4,216.7
Revenues of state institutions in agriculture	887.8

of that:	
Institutions of the state veterinary sector and plant protection	606.6
Scientific-technological centers (including agricultural organization and computing centers)	125.6
Central exhibitions (Erfurt International Horticultural Show, and Markkleeberg agra)	11.9
—In continuation of the tested alliance policy, the state-owned enterprises, the socialist cooperatives, and their cooperative institutions were provided with from the state budget for the promotion of production;	9,429.3
of that:	
Scientific-technological measures	440.5
Investments	341.4
Subsidies to agriculture amounting to	483.3
of that:	
Measures of scientific-technological progress	155.8
Ameliorations	143.5
Temporary product-related bonuses	104.8
Location-related bonuses	259.3
Compensation of loss of interest	183.9
Other production-promoting measures in agriculture	838.0
Price subsidies for producer goods for agricultural enterprises	4,146.0
Price subsidies for raw and basic materials	417.0
Expenditures for agricultural state institutions	741.7
of that:	
Institutions of the state veterinary system and plant production	601.9
Scientific-technological centers (including agricultural organization and computing centers	112.5
For central exhibitions (Erfurt International Horticultural Show, and Markkleeberg agra)	27.3

II. Expenditures of the state budget for science and technology, for investment, and for the maintenance and repair of traffic routes [footnote 1] [summarized information; these expenditures are also contained in the expenditures of the state budget in paragraphs I and IV]

	in millions of marks
1. Science and technology	
A total of	3,283.0
from the state budget were used for science and technology and for research facilities;	
of that:	
—Science and technology in the combines and enterprises of the state-owned economy	2,228.8
—Science and technology in agriculture, forestry, and the foodstuffs industry	233.4
—Research and development in the Academy of Sciences	365.5
—Research and development in universities, colleges, and technical schools	287.0
—Research and development in research institutions of state organs	168.3
2. Socioscientific research	
For socioscientific research	226.7
were provided from the state budget.	
3. Investments	
A total of	10,422.0
from the state budget were spent on investments (without housing construction).	
4. Maintenance and repair of traffic routes	
A total of	6,090.4
for the maintenance and repair of traffic routes was spent on	
—Road construction	2,922.7
—Railroad lines and railroad installations	2,775.4
—Sea and river ports and waterways	324.3

III. Taxes and levies

	in millions of marks
1. Craftsmen's production cooperatives and other socialist cooperatives as well as private craftsmen and tradesmen	
—On the basis of increasing performance, in particular in repairs, services, and supplies for the population and the further raising of efficiency, taxes and duties amounting to a total of	9,183.7
were paid to the state budget;	
of that:	
Craftsmen's production cooperatives	2,813.2
Consumer cooperatives	2,149.3
Private craftsmen and tradesmen	4,221.2
—In order to promote the intensification of the performances of cooperative and private crafts and of private retail traders, restaurant keepers, and other tradesmen, M224.8 million from the state budget were used within the approved financial compensations to improve repairs, services, and supplies to the population.	
2. Taxes from the population	
—In line with the increasing income, the citizens contributed to financing the tasks of all of society with a total of	11,632.0
of that:	
Payroll tax of workers and employees	9,967.7
Automobile license tax	542.3

	in millions of marks
Local taxes, particularly real property tax	397.5
Other taxes, particularly from free-lance work, inheritance, and acquisition of real property	724.5

IV. Expenditures of the state budget to fulfill sociopolitical tasks

	in millions of marks
In implementing the decisions of the 11th SED Congress on the consistent continuation of the main task in its unity of economic and social policy, the following financial means were used for the further implementation of the housing program and the cultural-social tasks in line with performance and efficiency increase:	
1. Housing construction and housing management	
For the further implementation according to plan of the approved housing construction, a total of M30,164.9 were provided.	
These financial means were used for	
—New housing construction, including the construction of new educational, catering, and care institutions amounting to M9,612,2 millions.	
of that from the state budget	3,897.0
These financial means were particularly used for the state-owned construction of new apartments in the amount of M4,039.5 million,	
of that from the state budget	399.8
cooperative construction of new apartments in the amount of M1,774.6 million	—
agricultural construction of new apartments,	
of agricultural production cooperatives and its cooperative sectors in the amount of M95.0 million	—
the creation of apartments by means of reconstruction in the amount of M234.8 million	
of that from the state budget	28.9
Means for developments of the state budget	1,906.0
of that:	
Housing construction	(1,741.4)
Construction of private homes	(164.6)
Construction of social facilities accompanying the construction of new apartments from the state budget	1,077.0
of that:	
Public education	(381.7)
Health and social care	(361.0)
Further facilities such as youth clubs, collecting points for recyclable materials,	
service facilities, libraries, and so on	(334.3)
—Construction of new private homes in the amount M1,179.7 million	
—Modernization of apartments to raise the quality of housing in the amount of M1,979.0 million, of that from the state budget	600.0
—Building repairs of housing stock in the amount of M6,346.0 million, of that from the state budget	3,446.8
—Expenditures of supplies for heat, hot water, and energy, garbage disposal, planting of greenery, and other management expenditure in the amount of M7,212.8 million, of that from the state budget	4,248.8
—Interests and repayment of investment loans for new housing construction from the state budget	3,835.2
The financial means for the total expenditure for the implementation of the adopted housing construction program according to plan came from	
—The state budget	16,025.8
—Loans	7,489.1
—Income from the combines and enterprises for the housing sector, particularly for enterprise-owned housing	706.0
—The sector's own capital	5,944.0
of that:	
Income from rents of the the housing sector's state enterprises	1,890.2
Income from rents of the socialist housing construction cooperatives	779.9
Income from private house owners including incomes from rents	2,154.1
Income from the socialist housing construction cooperatives	868.2
Capital of those who build their own houses	251.6
2. Measures to ensure stable prices for the population	
For price supports to ensure stable price for basic consumer goods, dues, and services for the population, a total of 49,811.2 were provided by the state budget;	
of that:	
Foodstuffs	31,947.9
Industrial goods for the population	11,943.2
Fares for long-distance and local passenger traffic	4,979.1
Drinking water and dues for waste water treatment	449.6
Repairs and services	491.4

3. Training and Education	Revenues	Expenditures
	in millions of marks	
The following financial means were used for the training and education of young people and the further training of adults		
Public education	402.4	10,417.5
particularly for:		
10-grade polytechnical secondary schools, extended secondary schools, and boarding schools of the secondary schools		4,901.5
Special schools, particularly for training in natural sciences, languages, sports, and the arts		112.4
Special schools for developing the personality of handicapped children and young people		407.5
Payment of proportionate boarding costs by the parents	111.1	
Revenues from services	19.3	
Teaching and study devices		156.9
Toys and materials for use by children of preschool age and pupils in school dormitories		60.1
Transportation of school children		144.2
Kindergartens and combined institutions		1,764.0
Meals for pupils in general educational schools		797.3
Payments of parents' shares in meals for pupils	198.2	
Meals for children in preschool institutions		266.7
Payments of parents' shares in meals for children	73.8	
Children's homes		251.1
Youth hostels		16.5
Special children's homes		51.3
Work and schools sports communities for the promotion of pupils' special interests within the framework of extracurricular activities		54.4
Pioneer houses and stations		123.8
Local recreational activities for pupils during summer, winter, and short vacations		59.0
Institutions and measures for the care and education of children and young people who either have no parents or no ties with their families		81.4
Adult colleges		41.6
Institutions for the advanced training of public education teachers		113.1
Institutions directly attached to central state organs and for central measures		41.7
of that:		
Pioneer homes and stations		15.4
Childrens' homes and boarding schools for children whose parents work abroad		7.1
Advanced teacher training courses		4.7
Investments for the new construction and modernization of secondary schools, childrens' institutions, and other public education institutions		921.9
In addition to the expenditures from the state budget, M658.2 million were provided by the financial resources of the combines and enterprises for the care for children, particularly for kindergartens and children's vacation camps.		
University and technical school sector	271.3	3,736.0
particularly for:		
Universities and colleges		1,344.4
Engineering and technical colleges		462.9
Scholarships		677.5
Boarding schools		195.1
Catering for students in refectories		143.2
Payment of proportionate costs for boarding schools and for meals by students	150.7	
Scientific libraries		37.4
Scientific relations with other countries, such as receiving and sending visiting teaching staff, exchange programs, international university summer courses		35.9
Institutions for agricultural teaching and experiments		12.0
Further education of teachers at universities, colleges, and technical schools		10.6
Other revenues in the university and technical school sector	120.6	
Science and technology		287.0
Investment for the new construction and modernization of facilities in the university and technical school sector		428.1
Vocational training	10.0	1,159.6
particularly for:		
Enterprise vocational schools and enterprise apprentice hostels		859.4

3. Training and Education	Revenues	Expenditures
	in millions of marks	
Communal vocational schools and apprentice hostels		214.1
Practical vocational training in agriculture		40.7
Vocational counseling centers		16.1
Institutions for the advanced training of vocational school teachers		7.2
Investments for modernizing and reconstructing vocational training facilities		14.7
In addition to the means from the state budget, a total of M1,050.0 million were provided from the funds of the combines and enterprises for the practical vocational training of apprentices.		
Institutions for adult qualification	43.8	148.4
4. Medical and social care		
For medical and social care for the citizens the following financial means were provided:		
Health and social sector	9,315.9	17,800.6
particularly for:		
Hospitals		4,489.0
Polyclinics, outpatient clinics, and doctors' offices		2,938.6
Medical sector in the university and technical school sector		1,181.6
of that:		
Charite Institute		236.3
University clinics and medical academies		925.7
Emergency medical aid and ambulance service		225.4
Nurseries and combined institutions for children		1,352.7
Payment of parents' fees for care for babies in nurseries and combined institutions	50.8	
State children's allowances and maternity allowances		3,386.3
Facilities and measures to ensure hygiene at work and in the residential areas		174.3
Vaccinations, disinfecting, and other preventive measures for health protection		82.7
Scientific facilities of the health sector, such as in the fields of occupational health, diabetes, pharmaceutical, and vaccinations		118.6
Blood donation service		95.2
X-ray institutes and central laboratories		28.1
Pharmacies and orthopedic facilities	1,208.4	118.0
Laundries and other supply organizations of the health sector		168.6
Homes for the elderly and nursing homes		1,068.3
Payments by the citizens for accomodation and meals in homes for the elderly and nursing homes	124.9	
Care for elderly citizens, household assistance, and provision of lunches		246.8
Institutions and support for the social security and care of disabled and severely disabled citizens		238.7
Payments to nonstate homes for the elderly and nursing homes as well as to other institutions for care and services for citizens in need of care		204.8
Additional allowances for families with three and more children		98.2
Subsidies for organizations, such as the German Red Cross of the GDR, People's Solidarity, the Association of the Blind and Weak-Sighted		70.8
Medical and health education for developing a healthy way of life of the citizens, such as, for example, the German Hygiene Museum of the GDR, health education studios		51.6
Subsistence allowance and payments subsidies to family members of citizens liable to military service according to regulations for subsistence allowance		86.5
Payments for social care		57.7
Advance payments by the state for subsistence payments for minor children		8.7
Science and technology		88.9
Investments for the new construction and reconstruction of hospitals, polyclinics, outpatient clinics, and other facilities of the health and social sector		1,219.2
Revenues from payments for benefits of the state health sector by the social insurance	7,451.5	
In addition to the expenditures from the state budget, M282.7 million were used from the resources of the combines and enterprises for health and social care for the working people.		
Social insurance total	18.822.3	36.274.5
Thus subsidies from the state budget amounted to a total of M17.452.2 million,		
of that:		
Subsidies for social insurance of workers and employees M14,636.7 million;		
Subsidies for the members of socialist production cooperatives and other working strata amounting to 1,859.5 million;		
Subsidies for services of the old age pension scheme of the intelligentsia and honorary pensions amounting to M923.0 million;		

3. Training and Education	Revenues	Expenditures
	in millions of marks	
Subsidies for pensions from voluntary pension insurance amounting to M33.0 million.		
Important revenues and expenditures of social insurance:		
Revenues from:		
Shares of premiums of enterprises, state organs and institutions, and cooperatives	10,490.6	
Payment of premiums by the working people	8,331.6	
Expenditures for:		
Pensions		17,200.2
Free medical care for the citizens on the basis of a social insurance system		7,451.5
Sick pay		4,648.8
Pregnancy and maternity allowances		858.8
Subsidies to mothers for paid vacations when they use maternity leave		837.1
Subsidies to mothers for paid vacations for the care for sick children		553.9
Pharmaceutical		3,321.5
Therapeutic aids and appliances		407.0
Subsidies to religious institutions for medical care		243.7
Reimbursement of expenditures, such as travel and accomodation expenses for medical treatment in clinics and other health service institutions that are not located at the patient's place of residence		30.3
Further expenditures for health and social care		552.5
such as:		
Payment of travel expenses for patients on cures and payment of expenses for cures organized by the vacation service of the Free German Trade Union Federation [FDGB]		66.1
Payment of hospital services of the Academy of Sciences		19.6
Funeral allowances		62.5
Allowances for trade union veterans		52.1
Administrative expenses of social insurance		127.9
5. Culture , sports, recreation, and youth		
The following financial means were used to meet the people's intellectual-cultural needs, for their recreation and sports activities:		
Culture	1,038.2	2,993.7
particularly for:		
Theaters		514.8
Motion picture sector		281.5
Orchestras		79.0
Culture houses and clubs		385.2
Promotion of lay art		202.4
Youth clubs of the Free German Youth		149.7
Cultural-political work of the concert and guest performance directorates		212.5
Museums and visual arts institutions		358.5
Promotion of visual arts and Sorbian folk art		42.8
State libraries		176.8
Musical schools		61.0
Preservation of monuments		95.5
Zoological and botanical gardens as well as zoos for native animals		72.1
Cultural cooperation with foreign countries on the basis of agreements and accords such as, for instance, exchanges of artists and troupes		61.0
Subsidies for social organizations, such as the GDR Cultural League, URANIA, the GDR Writers Association, and the GDR Graphic Artists Association		66.2
Investments for the new construction and reconstruction of cultural facilities		213.9
Entrance fees for visiting cultural events and revenues from the sale of printed and other products		678.0
Cultural enterprises	360.2	33.4
In addition to the state budget expenditures, M602.2 million were provided from the resources of the combines and enterprises for cultural facilities, in particular for culture houses and clubs.		
Sports	133.5	1,060.5
particularly for:		
Maintenance of sports facilities, such as stadiums, sports grounds, sports halls, and indoor swimming pools		616.7

3. Training and Education	Revenues	Expenditures
	in millions of marks	
Subsidies to the German Gymnastics and Sports Federation for children's, youth, and mass sports; to youth spartakiads, competitive sports, and sports activities of senior and disabled citizens		343.3
Entrance fees and revenues from services	133.5	
Investments for sports facilities		100.5
In addition to expenditures from the state budget, M132.5 million were used from the resources of combines and enterprises for sports activities of the working people.		
Recreation and holiday program	127.1	578.5
particularly for:		
Subsidies to the FDGB holiday program	278.2	
Local recreational facilities, such as camping and tent sites, outdoor swimming pools		253.1
Cultural care for the working people in health resorts		20.8
Investments for modernizing and reconstructing local recreational facilities		26.4
In addition to expenditures from the state budget, M1,013.1 million for recreational facilities and the working people's holidays were provided from the resources of combines and enterprises and of the state organs and institutions.		
Youth facilities, including youth tourism:	376.3	693.6
particularly for:		
Youth hostels	30.2	79.9
Youth tourism hotels and youth recreation centers	34.3	61.0
Domestic and foreign youth tourism	279.8	387.4
Central pioneer camps	25.8	80.0
International vacation exchange as well as camps for recreation and work		10.5
Investments for the new construction, modernization, and reconstruction of youth facilities		35.8
In addition to the expenditures from the state budget, M119.9 million from the resources of the combines and enterprises were provided for the young people's leisure time.		
6. Promotion of young couples		
For the promotion of young married couples the state budget provided		252.4
for remitting loans taken out by young couples, including for remitting interest on loans.		

V. Local Measures and Services

	Revenues	Expenditures
	in million of marks	
For local measures and services for population at total of	134.5	1,133.1
were used		
of that:		
—Street lights	3.6	260.5
—Street cleaning and removal of household trash	44.3	288.9
—Cultivation and equipment of lawns, parks, and cemeteries	11.8	343.5
—Service installations, such as public launderies, service acceptance facilities, bathing establishments, and other kinds of services	74.8	240.2

National Assembly Convenes; Proceedings Detailed

Pozsgay Addresses Assembly

LD2706112189 Budapest Domestic Service in Hungarian 0800 GMT 27 Jun 89

[Speech by Imre Pozsgay, member of the Hungarian Socialist Workers Party Central Committee Presidium, at the National Assembly session in Budapest on 27 June—live]

[Text] Esteemed National Assembly. On behalf of the government, I would like to put forward some thoughts and information regarding the political conciliation talks. It has appeared from the announcement by the speaker and the letter of the premier, that with the beginning of the conciliation talks, a new political situation has come about in Hungary. As a positive consequence of this new political situation, we may succeed in achieving a peaceful transition to a constitutional state, a parliamentary system based on a pluralistic multiparty system, based on national consensus.

The participants in the talks—I am speaking first and foremost on behalf of the Hungarian Socialist Workers Party [MSZMP]—have agreed to prepare for the forthcoming elections within the framework of the multiparty system, according to the principles of free elections and accepting its consequences. They have agreed that no goal of attaining power can justify solutions by force and that every participant, the participants in political life, abstain from the use of force in preparing for this turn, which has immeasurable importance in the history of the nation.

I know that the deputies in the National Assembly, my fellow deputies, have followed these events; after all, we have endeavored to ensure that the political conciliation talks should take place in the greatest openness. Let me just say that new, real, and potential political forces have appeared in the political arena and some of these forces, due to the nature of the system up to now, cannot participate in the work of the National Assembly. However, it would not lead to an agreement and a national consensus if their political will could not be manifested in preparing the future. In that case, there would be no agreement. Consequently, we in the government and here in the National Assembly must, I think, accept this political fact, in the spirit of the noble endeavor to which I have just referred and in the spirit of cooperation.

These real and potential political forces are currently present at the negotiating table. The representatives of the MSZMP, the representatives of the opposition roundtable, and the representatives of the independent social organizations and moverments are at the negotiating table and thus, as the bearers of a new and much more complex order of the formation of political will, they can prepare this general consensus.

What does this mean with regard to the legislature? It does not mean restricting the legislators—this is something I would like to emphasize—but first and foremost restricting the work of the government in the preparation of legislation. The government, on the basis of the political considerations I have just mentioned, and which were also mentioned in the introductory words of the speaker, has accepted this self-restriction when the MSZMP Central Committee turned to the government at the negotiating table for it to accept this, in the interest of the nation and political goodwill.

What I now ask the esteemed National Assembly, my fellow deputies, is that they should accept, on the basis of the same considerations, the government's decision and intention to cooperate, and that in their legislating work they should support the national consensus. The laws of fundamental importance, which otherwise are part of the so-called democracy package plan which was approved by this National Assembly, will not be withdrawn from the agenda of this legislature, but, with the methods just outlined, they will be submitted here in a form that will have been prepared at the negotiating table, and consequently they will come here with some delay.

This is what is involved and if we reach an understanding on this point, then it is my belief that these political negotiations will be successful. They will also silence those debates which today question the legitamacy of this legislature and which could lead to the peaceful solution that is our joint political goal. This is what I wanted to add to the premier's letter, speaking also on behalf of the negotiating partners, asking for your cooperation and understanding in the interest of a peaceful transition and national consensus. Thank you.

Finance Minister's Speech

LD2706182189 Budapest Domestic Service in Hungarian 1015 GMT 27 Jun 89

[Speech by Finance Minister Laszlo Bekesi at the National Assembly session in Budapest—live]

[Excerpts] Esteemed National Assembly, esteemed deputies, the discussion of the draft law on the 1988 state budget is an organic continuation of the economic and, first and foremost, budget package, which was discussed at the most recent parliamentary session. [passage omitted]

Although it is the task of the draft law to give an account of the implementation of last year's budget, we cannot avoid giving a brief summary of the economic process, which, in the final anlaysis, has led to the budget results presented. Like so many times in the past years, the Hungarian economy closed a contradictory year last year. Positive and negative processes alike characterized our economy and the results of the government's economic management activity. Gross national production and national income—not according to plan—did not increase, but instead, even if to a small extent, decreased

by .5 percent. Instead of the planned growth, industrial production stagnated. The production of the food economy increased to a more modest extent than planned.

At the same time, the country fulfilled its internal obligations; it preserved its solvency; and accordingly, the interal consumption of the produced national income decreased. The decrease affected both the population's consumption and investments, according to plans, while the reserves in the Hungarian economy grew by leaps and bounds, by more than 60 million forints. Foreign trade achieved better results than planned. The 500-million-forint positive balance of foreign trade turnover is an outstanding result. It indicates a strengthening in export orientation and the transformation in the marketing structure.

The population's income and the consumer price index exceeded the plan. However, the decrease in real income and real wages per capita was less than was forecast. The conditions of the economy's income also diverged from the plans. While the country's total income did not increase, the proportions of income distribution changed under the impact on the one hand of the above-plan inflation and on the other, on the income redistribution effect of the tax reform. More income than planned remained at the enterprises and cooperatives; as regards the proportions, less remained with the population and in the budget. Thus, the external and [word indistinct] internal financial balance did not improve. The current payments balance and the budget deficit are greater than planned.

The government did not consider the budget balance to be an absolute priority in 1988, as many people state nowadays. However, this stabilization is an indispensable condition. For this reason, in the future as well, it can not be handled as a secondary objective.

Esteemed assembly, it is worthwhile to examine somewhat more thoroughly the interconnections that lie behind the economic facts listed in the introduction. It is a fact that economic growth did not get underway in the past year either. At the same time, it is also undeniable that the change in the outdated economic structure began. Perhaps this change is still slow, but it is already clearly taking shape regarding some points. This is indicated by the above-plan growth in convertible exports and the acceleration in the process of product change. This necessarily entails a temporary decline in production, due to decreasing internal and socialist marketing, until the enterprise sphere, by product change and modernization, finds the potential for selling on capitalist markets. This temporary decline should not be condemned; at the most, the pace of change can be qualified as slow.

The government's economic direction is often and rightly, criticized for not being resolute and consistent enough in the sphere of reducing and eliminating sources of losses. It is a fact that since the bankruptcy law was introduced, negligibly few loss-making enterprises and cooperatives have been closed up. In the case of the majority of economic units that are bankrupt, the government organs and banks have tried, by waiving or shouldering part of the debts, by transforming the production structure, by organizational changes, by smaller or larger development, and by assigning more appropriate managers to some places, to get them on their feet and to launch some long-standing units of industry—the building industry and agriculture—on the path of development.

There is no denying that the cancellation of debts and the increase of supports have not created, in every case, an upswing; in a few cases they have conserved the sources of loss. The government has drawn the necessary conclusions. Since the last session of parliament, on account of the unsettled, large-scale debts, the tax office has launched liquidation procedings vis-a-vis 18 enterprises and cooperatives. In the near future our big commercial banks will commence the liquidation of a further 15-20 permanently insolvent units of economic management. The government will soon review, once again, the rules of the liquidation procedure and will take measures for the further reduction of the still existing interests that oppose liquidation.

The development of the income positions of managing organizations has been influenced by several factors. The incomes of enterprises and cooperatives have been increased by the diminishing syphoning-off of incomes, the domestic inflation price gains, and in some areas, for instance in iron metallurgy and the aluminium industry, by the boom in the foreign markets. Entrepeneurs' incomes have been diminished by the increase in the per unit costs of production and certain cost factors. Over all, in the past year 32.5 million forints more net income remained with our enterprises and cooperatives than in 1987.

Sixty-two percent of the entrepreneurial sphere disposed of more free resources last year than in the previous year. It is true that at the same time the mass and proportion of losses also increased. Therefore, an important feature in the development of enterprise incomes is that the differentiation of managing organizations strongly increased. In the case of one-third of the entrepreneurial sphere the profit surplus exceeded 40 percent, whereas in 25 percent of the cases profit reduction reached 50 percent. Compared to 1987 the mass of free resources increased by 13.5 percent in industry, 60 percent in the construction industry, and 26 percent in commerce and services. Within this there was considerable improvement in the incomes of the metallurgy and chemical industry, while the incomes of the electrical energy industry and the food industry decreased. Within the individual branches, too, there was a big disparity among the enterprises.

I would like to make special mention of the financial situation of agriculture last year, for two reasons: On the one hand, it is frequently heard that the profitability of

the agrarian economy last year sank to a critical point, and, on the other hand, that in the matter of supports, those for agriculture dominate in a greater amount than planned. For this reason several people think that the administration regards agriculture as a scapegoat, what is more--and I quote Deputy Bertalan Mayer—as a quality victim. Let us look at the facts. Among the producing branches, it was in agriculture that gross profits decreased last year by the smallest amount. Compared to the 40-percent drop in the production results of industry and a 52-percent drop in the construction industry, the results of agriculture fell by 14.6 percent. At the same time, the free resources increased by 1 percent, over 2 million forints.

But neither can it be denied that also in the past year the price gap between industry and agriculture further increased. The increase in the cost and marketing prices of agricultural production show a 2.1 percent difference to the debit of agriculture. The differentiation of agricultural plants has further increased. Out of 1,450 agricultural plants, the freely usable resources have increased in the case of 920, compared to 1987. These managing units have spent nearly 19 million forints on development, 6 million more than 1 year earlier. At the same time on the other side, the results of some 500 agricultural facilities have further decreased; their debts have increased; they are vegetating in a critical situation. Settling the situation of the indebted agricultural facilities has begun. The stabilization of the first, nearly 140, farms has taken place through concessional loans, state supports, and through the cancellation of a proportion of debts.

The program of settling 150 facilities is being prepared. These will be taken in turn gradually. The government is dealing with the fact that several hundred functioning agricultural facilities cannot remain in a state of permanent uncertainty. At the same time, it is also convinced that not every one of the gravely indebted, permanently loss-making facilities can be kept going, they cannot all be saved. In agriculture too we have to face up to the gradual liquidation of a proportion of the long-term loss-making facilities.

In the debates of several parliament committees and of the agrarian section it was justifiably raised that in the framework of the new agrarian policy that is being formed a clear and determined answer must be given to the question of whether there is any need for agricultural products that can be produced and sold with huge losses and supports or whether also in this area it should be the needs of the domestic and the external market that should determine the quantity and composition of production. I think that the reply can only be the assertion of this latter demand.

In connection with this, I must also speak about the development of supports, because the government in the past year was not able to realize its goal of reducing supports. Supports exceeded the plan by 25 million forints. And to a decisive degree, supports financed the socialist export and within this, to a large extent, the above-plan extent of agricultural export and investments. The government receives numerous criticisms because of its inconsistent policy of reducing supports. In 1988, largely in the framework of the tax reform, the reduction of supports began. Consumer price supports decreased significantly. The price supplement on meat industry products and industrial goods has ceased. At the same time, the amount of export and investment supports has increased.

In support decisions, the administration always has to weigh up three factors: the effect of support reduction on prices, export, and employment. In the majority of cases curbing the increase of the price level, increasing export, and minimizing terminated jobs are the things that motivated the government's decisions. We well know that this attitude, which is partly of a postponing nature, cannot be maintained in the long term. Unfortuantely, we have to face up to the tensions that arise in connection with the reduction of supports. It is already this move which charactrizes the government's measures this year and its future conduct, together with the search for the least painful compromises.

And because we have been dealing with supports, I would like to point out a connection that reflects in microcosm all the errors of our hitherto policy of syphoning off income and support. In the past year, the state housekeeping gave altogether 235 million forints of support to the managing organizations, while the overall profit of these same managing organizations was 238 million forints, 3 milion forints more than the supports. An economy in which the amount of supports almost attains the level of gross profit is incapable of development. And if we add this to the fact that the overwhelming majority of the cover making up over 20 percent of the Hungarian state housekeeping has to be syphoned off not from those managing organizations which enjoy the benefit of these supports, then the task becomes all the more clear: we have no other alternative than the radical reduction of subventions, donations, and the shaping of realistic market price proportions. Within this, the effects of the market cannot be asserted, healthy selection cannot accelerate, and neither can the high taxes curbing development be reduced.

Esteemed National Assembly, despite the improving results of the foreign trade turnover, the country's current balance of payments developed considerably more unfavorably than planned. A decisive role was played in this by the so-called shopping tourism, which destroyed not only the country's balance of payments but also the government's prestige. We cannot deny that it was a huge mistake that a step which was equally important and positive from a domestic and foreign policical viewpoint—the introduction of the world passport—was not coupled with the necessary economic measures. The decisions that expanded the rights and possibilities of citizens paid no regard to our economic background or

the country's capacity to bear burdens. It is no exaggeration if we claim that the economic conditions for the introduction of the world passport were lacking. We committed an error in that we recognized all this too late, that the recognition too was followed by tardy reaction. In addition, the scheduling and announcing of the customs duty increase was an off-the-cuff, grave professional mistake. There is no doubt that if, simultaneously with the introduction of the world passport, the government had increased the domestic market supply of the most sought-after shortage goods—even at the cost of increasing imports—and if it had created the tax and customs conditions equivalent to the commercial import, then a large proportion of the loss of foreign currency and prestige would have been avoided.

The bitter lesson cost us dearly. The government learned lessons. It has taken the most necessary measures. In consequence of its measures, the domestic market supply of the most sought-after consumer durables by now is satisfactory, what is more, in the case of some products there is over-supply. The price level of commercial and private imports are close to one another. The government is also working on long-term solutions. The essence of these is: the further expansion of domestic supply, more effective foreign trade, the modernization of the system of foreign currency supply, and in the longer term, the creation of the forint's convertibility.

I would once more like to point out that in the framework of this program there is no question whatever of closing the population's foreign currency accounts; on the contrary, we are working on the further liberalization of the foreign currency accounts and on encouraging foreign currency savings.

In connection with shopping tourism, I cannot leave unmentioned the fact that while the population's domestic consumption last year fell by a bigger extent than planned—by some 4.5 percent—in the meantime, the population's buying beyond our borders increased the population's consumption by some 2.5 percent. This all happened in such a way that the population's domestic savings did not decrease either. Since the cover for this consumption was not guaranteed either by incomes from work or from the increasing interest and dividend earnings, we have to conclude that there was a rapid increase of incomes from private enterprise or from the second economy. Recognizing, uncovering, and analyzing these incomes will be one of the important tasks of the coming period, because in the absence of precise knowledge about them, we cannot form a picture either of the population's real income situation or of its living conditions, social relations, and thus neither can our income and social policy have a solid foundation.

Esteemed assembly, the budget is connected by many threads to the financing of consumption. Monetary social incomes, social insurance outlays were fulfilled at a higher level than planned, due to the year's measures. We have to acknowledge that unfounded measures also played a role in the surplus of outlays. Thus, for example, during the year we were compelled to adjust the regulation according to which the various benefits are calculated in the sick-pay fund, immediately from the 1st day of sick pay. It caused rightful indignation that it was possible to make more money from sick pay while on sick leave, than from going to work.

The growth in social insurance outlays in several spheres made it possible to preserve the real value of benefits. The increases in pensions and the family supplement during the year, which followed the above-plan increase in prices, made this possible. In this way it was possible to achieve the covering, from the family supplement, of a somewhat higher proportion of child-rearing costs than previously, although we are well aware that the major proportion of the burden falls invariably on the families. The average family supplement of 1,280 forints per person per month covered roughly one-third of child-rearing costs last year. Last year, the average pension per person was 4,500 forints. The real value of above-average pensions decreased; the real value of lower pensions rose somewhat. Last year it was also demonstrated that the current system of social insurance is a hopeless race between revenues and outlays, which, in spite of the rapid increase in outlays, is accompanied by a general dissatisfaction among those who receive these provisions.

This closing account also affirms our conviction that a reform of social insurance is unavoidable, and its first, and merely initial, but unquestionably necessary measure, is making social insurance independent this year.

In the course of the committee debates, the unjust criticism was voiced in regard to the government that last year it sacrificed social policy on the altar of short-range budget interests. The facts prove the exact opposite. Even at athe cost of a growth in the budget deficit, the government raised state support for social insurance, because its revenues were not covering the rapidly growing outlays. Naturally, the government does not dispute that all this is not enough to resolve the social problems.

Esteemed National Assembly, the bearers of benefits in kind are the so-called budgetary institutions. The operations of these organizations play a determining role in shaping the population's living conditions and in laying the foundations for our future. In this sphere, the outlays have increased by 3.4 percent; yet, in addition to the quantitative development and in addition to the financing of the new tasks, in a good number of spheres there was not enough money to fully compensate for the rising prices, to preserve real value. In total, the real value of services offered by budgetary organs decreased by about 2 percent. This decrease was smaller in the sphere of health provisions. It was larger in the sphere of communal provisions and considerable in that of administrative tasks.

Although an opinion to the contrary prevails in public opinion, the figures show that real value has risen modestly in the education sphere in the past yaer. Last year, the management regulations of budgetary organs were further simplified, restrictions decreased, and the autonomy of institutions and councils increased. We know that these measures would be more successful if more resources were available for these tasks. I do not dispute the fact that health, social policy, educational, and cultural institutions are struggling with basic material problems in many places nowadays. At the same time, I cannot hush up the fact that this objective economic situation has still not been enough for the dismantling of dispensable—unnecessary and parallel institutions—organizations, and for their elimination.

The issue, here, is not merely the so-called background institutions, some of which have already been closed up by the directing ministries and councils, or which have been reorganized into self-financing enterprises. Even in spite of the economic constraint, there is no progress in the sphere of rationalizing the provisions for ambulant patients, which operates parallel to one another and often are of low efficiency; nor is there progress in the sphere of the extremely decentralized network of institutions of higher education, the network of research institutes that often operates parallel to it, or the institutions which provide economic services but which are supported by the budget.

However, I cannot ignore some individual examples. As a matter of fact, the low level of wages among workers in higher education is a bitter reality. While wage demands are on the agenda, in the meantime there are hardly four students for each teacher in Hungary and the compulsory number of classes per week is less than eight.

I also have to say frankly that our inspections have experienced astonishing squandering, irrational spending from year to year in the internal management of television, which is struggling with outdated technology and material problems, and which is demanding increases in support. It has also experienced this in the management of other budgetary organs. We are aware and profess that a reform of the state's financial management, and within this, the budget, is unavoidable, as is the modernization of the management-financing system of the budgetary organs. We are resolutely working on its preparation. We have revealed to you this program's concept. However, we cannot only wait for reforms at a time when there are unexploited reserves latent in daily management, in rational work organization and management, and in level-headed economizing. It is not necessary to wait for central government measures and reforms to be released in order to eliminate squandering.

Esteemed National Assembly, I would like to make special mention of the councils' management last year: decreasing state support and growing revenues of their own financed the tasks performed by the councils last year.

One can speak only in terms of the highest praise of the endeavors of the councils and of those of enterprises and cooperatives, as well as of the contribution and social collaboration of the population, as a result of which the councils have been able to devote more money than originally planned to the realization of community goals. This shows the strength of cooperation at the local level, the strengthening of the features of self-management, and the willingness of the enterprises, cooperatives, and of the population to make sacrifices for good, collective goals.

At the same time, it is precisely the growing tensions that call attention to the tendency which characterized the past year as well, whose essence is that the majority of our councils devote the growing local resources primarily to new investments and the building of new institutions, which further increases the problems of functioning and the problems of the upkeep of the institutions, creating even greater tensions for the future. Please do not misunderstand me. I well know that there is a need for new schools, hospitals, and social centers. However, the functioning and upkeep of the existing ones can be endangered if our councils base the rapidly growing quantitative tasks on an increase in state subsidies. This is not a realistic expectation. This is also a problem of the future because the indebtedness of the councils has increased further. The bonds issued for the financing of developments and the credits that have been taken up, are a burden on the financial foundations of the future and are perhaps endangering the resources necessary for the functioning of these investments.

Esteemed National Assembly, the budget spent its excess revenues in 1988, it used up its 10-million-forint reserves, and it could not reduce the budget deficit. In addition to this, it placed a not inconsiderable burden on the current year with its growing financial payment delays. We will speak in detail of the causes and content of this result, and I have already touched upon certain of its elements.

The government was subjected in the course of the committee debates to harsh, at times extreme and impatient, criticism and condemnation for the end result, namely, the contradictory development of the economic processes, the deterioration of the balance, and in general for the deepening of the economic crisis which has been with us for some years. Several deputies, as well as the Construction and Transport Committee, did not accept the report on the implementation of last year's budget and expressed a lack of confidence in the government. I would like to speak very frankly about this problem as well. The government has neither reason nor right to reject the criticism. Justified criticism must be accepted even if we know perfectly well—and this is something which the deputies giving criticism must also know—that it is not exclusively the weakness of the government, its lack of consistency, and at times its mistaken decisions or its failure to make decisions that

are responsible for the deepening economic crisis. What is more, it is not primarily the shortcomings in the work of the present government that have led to the present economic situation.

This government accepts the heavy economic inheritance. It undertakes to place the real situation of the economy frankly and fully in front of parliament and the people of the country, discussing the reasons for the crisis and not hiding its own mistakes either. Thus, when it gives an account of the economic results of the past year, it does not wish to explain things away but to provide an analysis and information, and does not submit a deformed financial account, as Bertalan Suedi said. At the same time, the government has the resolution to draw the conclusions not only in words but also in deeds. I think that it has provided a convincing example of this with the short-term program which it recently submitted to the National Assembly in order to ameliorate the heightened tensions in 1989, as well as with the suspension of the Bos-Nagymaros project, which the esteemed house approved.

Beyond this, the government is hard at work on preparing a radical economic turnaround. After all, it knows perfectly well that the economic policy and the practice of economic direction pursued up to now can no longer continue. It is within this framework that it submits to the National Assembly the concepts that will be debated in the next points on the agenda and will submit in the autumn the government program for handling and ending the crisis.

Accordingly, we are preparing the economic plan and budget for the next year and taking the lessons of the past year into consideration. Thus, when the esteemed house criticizes the negative economic results and faults of the past year, it should not forget those changes and specific measures which this government has already brought in this year and which it wishes to consistently continue.

Thus, all that I am asking on behalf of the government from the National Assembly is that, simultaneously with the rightful criticism of the past, it should not make the present and future government endeavors, the steps that are being taken to prepare a turnaround, uncertain. By accepting the account on the 1988 budget, it is not the errors of the last year for which the government is to be absolved, rather, the government expects support and strength to achieve its bitterly difficult tasks and lay the foundations for the turnaround.

Esteemed National Assembly, finally permit me to inform you on behalf of the government regarding the implementation of the 5-million-forint reserve measures of the package approved at the last session. As we have demonstrated in detail in the written briefing put at your disposal, the government created the 5-million-forint reserve required for improving the balance of the budget for 1989 without altering the fundamental concept of the program, without direct price increases, tax increases, and without reducing the supports for the priority budgetary tasks. It further reduced by 1 million forints each the expenditures on defense, central investments, support of the least effective exports, and international obligations, as well as the enterprise revenues realized because of the low prices of socialist imports, revenues which are not backed by performance. With this series of measures we have carried out all the corrective steps involved in the package plan. At the same time, we are ready to reduce to the minimum the economic uncertaintities during the remaining half of the year, uncertainties we indicated during the last session as well. Consequently we have decided on further measures for strengthening economic security, measures involving 3.2 million forints.

Within the framework of these measures we are reducing by 1.1 million forints the unnecessary central reserves, and in the interest of reducing the increase in the surplus in our socialist goods exchange and the consequent losses, we are reducing the subsidies for ruble exports for 2.1 million forints.

I ask the esteemed National Assembly to look at the government's measures and to debate and approve the closing accounts presented on the 1988 budget. Thank you for your attention.

Nyers Relieved of Post

LD2706145789 Budapest MTI in English 1333 GMT 27 Jun 89

[Text] Budapest, June 27 (MTI)—Under the proposal of the Presidential Council, parliament has relieved Rezso Nyers of his post as minister of state so he can give his efforts to carrying out the function of HSWP [Hungarian Socialist Worker's Party] president.

As reported earlier, on Monday the prime minister put forward the request to the Presidential Council to relieve Mr Nyers of his tasks in the government, for another appointment.

Deputy Speaker Elected

LD2706175189 Budapest MTI in English 1550 GMT 27 Jun 89

[Text] Budapest, June 27 (MTI)—The Hungarian National Assembly has elected Istvan Fodor deputy speaker in a secret vote. As reported earlier, the post became vacant because of resignation. 175 of the 323 MPs voted in favour of Istvan Fodor.

The deputies approved the following agenda:

1. Personnel motions,
2. Bill on the implementation of the 1988 state budget of the Hungarian People's Republic,
3. Proposal on the concept of budgetary reform and the tasks of 1989,

4. Report on experience in the operation of the tax reform and the concept of the modernization of taxation,
5. Draft amendment to law no. 1/1976 on national defence,
6. Draft amendment to law no. 4/1978 on the penal code,
7. Draft amendment to law no. 1/1987 on land amended by law 19/1989,
8. 33 interpellations and nine questions.

Bill on 1988 Budget Approved

LD2706202889 Budapest MTI in English
1823 GMT 27 Jun 89

[Excerpts] Budapest, June 27 (MTI)—At the parliamentary debate, Mrs Ferenc Moravcsik, MP for Bacs-Kiskun County, asked Prime Minister Miklos Nemeth if his appointment to the HSWP [Hungarian Socialist Workers' Party] Presidium would not pose the threat of another intertwining of the party and government.

In his reply, Mr Nemeth pointed out that his appointment to the HSWP Presidium could not mar the considerable success achieved in dividing the party from the state, and could not restrict the independence or responsibility of the government, since the Presidium will only tackle party political tasks and not questions that fall under the government's umbrella.

The bill on the implementation of the state budget for 1988 was put forward by Laszlo Bekesi, minister of finance. He said that the debate on the bill was a close sequence to the economic,—primarily budget—package discussed at the last session of parliament. [passage omitted]

After hearing the minister's proposal, the National Assembly approved the bill on the implementation of the 1988 budget with 43 votes against and 66 abstentions on Tuesday afternoon. Before voting, six MPs contributed to the debate and received answers to their questions and proposals by Laszlo Bekesi.

First Day of Session Ends

LD2706202189 Budapest MTI in English
1918 GMT 27 Jun 89

[Text] Budapest, June 27 (MTI)—The first working day of the June session of the Hungarian parliament ended in Budapest on Tuesday evening.

On Wednesday, MPs will deal with the outline of the reform of the state budget and the discussion of the proposal on this year's tasks.

Assembly Session Resumes 28 Jun

LD2806093889 Budapest MTI in English
0814 GMT 28 Jun 89

[Text] Budapest, June 28 (MTI)—Hungarian National Assembly resumed its work on Wednesday, with the discussion of the reform concepts on the administration of public revenues and the motion presented by the minister of finance on the tasks ahead for 1989. Two more MPS have indicated their intention to contribute to the debate broken off on the previous day. Following the discussion of this item of the agenda, debate will be continued over the motions presented on the experience gained on the operation of the tax system and the updating of the tax reform, also to be presented by Laszlo Bekesi, minister of finance.

Szuros Petitioned To Close Soviet Airbase

LD2706184989 Budapest MTI in English
1650 GMT 27 Jun 89

[Text] Budapest, June 27 (MTI)—On Tuesday, Matyas Szuros, speaker of parliament, received a petition from representatives of Debrecen and district, in which 21,860 signatories requested the speaker to intervene on their behalf in the interest of closing the Soviet military airport in the city by December 31, 1990.

The representatives emphasized that the petition should not be seen as an anti-Soviet action, and it was not their intention to interfere with Soviet military policy.

Mr Szuros replied that he was well aware of the decade-long problems, and regarded the request as justified. He added that there would be an interpellation to the minister of defence on this topic during the current parliamentary session.

Mr Szuros reminded the representatives that a final solution to such and similar issues could only be found through general disarmament in Europe, something which had been a topic of discussions in Vienna for a long time.

This aside, Mr Szuros said it was urgent to resolve the issue of the military airport in Debrecen, and in the meantime, asked for the understanding and patience of the local population.

Council of Ministers Spokesman Holds Briefing

LD2606223789 Budapest MTI in English
2108 GMT 26 Jun 89

[Text] Budapest, June 26 (MTI)—Minister of State Rezso Nyers was absent from the Monday session of the Hungarian Government, as he took up his function as party president, spokesman Zsolt Bajnok, editor-in-chief of the government daily said at a briefing following the government session. He also said that Prime Minister Miklos Nemeth submitted a request to the Presidential Council this morning to relieve Rezso Nyers from his government post. The Council of Ministers approved the request and proposed to the National Assembly to put this question on the agenda of its session to begin tomorrow. The functions of the minister of state is planned to be allocated to the members of the government.

Zsolt Bajnok proceeded to say that the government had discussed 12 topics today, including the freedom to travel and the passport bill, which states that travelling is

a fundamental right of the citizen. Another bill deals with the pensions of people interned between 1949 and 1953, and it counts their years spent in internment among their working years. They also touched upon the arrangements for the Budapest-Vienna world expo: the government ordered a sped-up review of the estimated costs of 40,000-60,000 million forints for the most necessary developments, and pledged to consult any political, social or professional organization that wishes in the preparation of each important decision. They also appointed Trade Minister Tamas Beck as government commissioner in charge of the Hungarian participation in the Sevilla world expo to be held in 1992.

The state office for church affairs is to cease without a legal successor. 90 percent of its areas of authority will also disappear, and the remaining 10 percent will be put in charge of a newly-elected secretariat for church policy of the Council of Ministers, the president of which is Barna Nagy Sarkadi, deputy minister. At the same time, they set up a national council for religious affairs presided by the prime minister with the minister of education as its secretary. The legal successor of the state office for youth and sport will be the national sports office presided by Deputy Minister Tamas Tibor.

As the government had declared that it would consider the decisions passed by the trilateral political coordinating talks as binding to itself, it will not include on the agenda of the session beginning on June 27 the debate on the four fundamental laws (the modification of the constitution, the constitutional court, the function of the president of the republic and the political parties).

State Secretary Laszlo Udvardi, government commissioner for the Gabcikovo-Nagymaros construction, was also present at the spokesman's briefing and announced that he had presented the Czechoslovak Government commissioner—as required by a prior agreement—with three documents at the Czechoslovak Embassy in Budapest on Monday.

He added that although the Czechoslovak officials accepted the documents, they emphasized that both their National Assembly and government maintained that the guideline in this question was still the one set by the 1977 interstate contract.

In answer to a question, the government commissioner reiterated that in non-Hungarian territory the Hungarian workers will carry on with the construction undisturbed and in accord with the original schedule.

Bush News Briefing Cited on Upcoming Visits

LD2706190289 Budapest Television Service in Hungarian 1730 GMT 27 Jun 89

[Text] U.S. President Bush spoke about his forthcoming visit to Warsaw and Budapest during his news conference today. Andras Heltai reports on the details from Washington.

[Heltai] The United States will encourage, as far as possible, the Polish and Hungarian changes, and this would not cause anxiety to the Soviet Union, the President said. Bush recalled that the West welcomed the cordial reception Mikhail Gorbachev received in Bonn, just as he expects a good reception in Warsaw and Budapest.

Bush stressed that the intended economic support for Poland must be followed by parallel reforms, so as to prevent the money melting away. The President made no separate mention of Hungary, but it is likely that the character of the limited support will be similar to that received by Warsaw. He intends to negotiate with the Polish and Hungarian leaders about the way in which the United States supports those countries that are moving closer to it economically, politically, and in terms of human rights. The President emphasized that the United States adopts a stand in support of freedom—his visit underlines this. However, he does not want to make excessive promises, or to urge political activities which, ultimately, may result in the return of oppression.

Grosz Answers U.S. Schoolchildren's Letter

AU2606144689 Budapest MTI in English 1653 GMT 23 Jun 89

[Text] Budapest, June 23 (MTI)—Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party has replied to the letter sent by sixth graders of the Elmhurst St. Bartholomew School, who requested information on the present situation in Hungary. The letter was handed over on Friday by Gyorgy Banlaki, Hungarian chief consul in New York.

Defense Minister Receives Warsaw Pact Commander

LD2706201389 Budapest MTI in English 1926 GMT 27 Jun 89

[Text] Budapest, June 27 (MTI)—Army General Petr Lushev, commander-in-chief of the Combined Armed Forces of the Warsaw Treaty member states, arrived in Budapest on Tuesday.

The commander-in-chief was received by Colonel-General Ferenc Karpati, minister of defence, in the Ministry of Defence.

The two military leaders held talks on topical issues.

Nyers, Grosz Receive Lushev

LD2806112689 Budapest MTI in English 1027 GMT 28 Jun 89

[Text] Budapest, June 28 (MTI)—Rezso Nyers, president of the Hungarian Socialist Workers Party and Karoly Grosz, general secretary of the HSWP met on Wednesday Army General Petr Lushev, commander-in-chief of the United Armed Forces of the Warsaw

Treaty member states, currently visiting the capitals of the member states to prepare the forthcoming session of the Political Consultative Body of the alliance.

The meeting was also attended by Colonel General Ference Karpati, Hungarian minister of defense.

Talks Held With Iraqi Deputy Foreign Minister

AU2606141589 Budapest MTI in English
1746 GMT 22 Jun 89

[Text] Budapest, June 22 (MTI)—Nizar Hamdun, deputy foreign minister of Iraq, paid a visit to Hungary on June 22 at the invitation of Jozsef Benyi, deputy foreign minister. The Iraqi politician met Ferenc Somogyi, state secretary of foreign affairs.

The sides surveyed the state of bilateral relations, and exchanged views on topical international affairs, with regard to the issues of settling the Middle East crisis and guaranteeing lasting peace in the Gulf region.

Women's Conference Announces New Federation

LD2506175289 Budapest MTI in English
1536 GMT 25 Jun 89

[Text] Budapest, June 25 (MTI)—The Federation of Hungarian Women was founded on Sunday, the second day of the fourth national women's conference.

The new organization, successor to the National Council of Hungarian Women (founded in 1970), is an independent, democratic, political and cultural organization representing the interest of the whole of Hungarian women, and rallying all the women's organizations of the country. It also plans to rally already existing women's groups or those to be founded in the future. At the conference of the federation, which was declared a statutory meeting, the adopted documents set forth the intention of the federation to participate in the country's political and economic reform process. It will be active in asserting the political, economic, cultural and social rights of women against all forms of social discrimination. In addition, the federation will be joining in the work of the political, economic and social conciliatory forums. It is also proposing the setting up of a government body which would coordinate the interest of women and state duties.

One of the goals of the federation is to win material esteem for bringing up children. It is pressing for the creation of a long-term social policy concept and a welfare system to provide conditions of a secure subsistence for mothers and children. Furthermore, the federation is calling for a change in the social security system, and the early updating of the pension system. It is also proposing the elaboration of a new employment policy to reduce unemployment to a minimum level, also bearing in mind the specific job requirements of women with children. The federation proposed improvements in the living standards of people living in the countryside.

Connections will be established by the federation with those foreign women's organizations whose experience could contribute to achieving its own goals.

Military Spokesman Discusses 'Orion-89' Exercise
LD2706185789 Warsaw Television Service in Polish 1730 GMT 27 Jun 89

[Text] [Announcer] A military training exercise code-named "Orion-89" will be taking place in the vicinity of Zielona Gora and Zagan from today until 30 June. Colonel Ireneusz Czyzewski, press spokesman of the Ministry of National Defense, is our guest in the television news studio:

[Czyzewski] Over 17,000 soldiers, mainly from the 11th Dresden Armored Division but also support units and selected air force units, will take part in the "Orion." The course of the exercise is defined by the defensive nature of our military doctrine. For this reason the units which will take part in the exercise will be involved mainly in preparing and conducting defensive operations.

[Unidentified correspondent] Will foreign military observers be present?

[Czyzewski] Yes. According to the decisions adopted by the Stockholm Conference, all military exercises with the participation of over 17,000 soldiers must be notified. Thus, "Orion" is being watched by 41 representatives from 22 states by invitation from our government. Such a large number of observers from states belonging to the Warsaw Pact, NATO, and also some neutral states, shows that great significance is being attached at present to the observing of exercises as one of the confidence-building measures in the military sphere.

Large-scale exercises are conducted only rarely in our country. As a state we have always been in favor of limiting the frequency at which they are conducted, as well as the number of soldiers participating in them.

I would like to point out that foreign observers were guests in Poland in 1987 for the first time and now this is the second time.

[Correspondent] Thank you very much.

Jaruzelski Congratulates Nyers on Election
LD2706212689 Warsaw PAP in English 1951 GMT 27 Jun 89

[Text] Warsaw, June 27—PUWP CC [Polish United Workers Party Central Committee] First Secretary Wojciech Jaruzelski sent a congratulatory cable to Rezso Nyers, chairman of the Hungarian Socialist Workers' Party (HSWP), in connection with his election to the post.

The cable said, in part: "We state with satisfaction that (?fraternity) between the PUWP and the HSWP and between our befriended states and nations, originating from rich historical tradition, is at present enriched with new values ensuing from similarity of reforms carried out in Poland and Hungary.

"We voice full conviction that the developing relations of friendship and cooperation between the PUWP and the HSWP and between both states will be consolidated and deepened, well serving our nations, the interests of peace and socialism."

Daily on New Hungarian Leadership Formation
AU2806105089 Warsaw ZYCIE WARSZAWY in Polish 26 Jun 89 pp 1, 6

[Grzegorz Lubczyk commentary: "A Four-Man 'Head' of the MSZMP"]

[Text] The determined reformers of Hungary have taken another step forward. It is enough to mention the names Nyers, Grosz, Pozsgay, and Nemeth in order to convince everyone that it is these supporters of the bold Hungarian political and economic reforms that form the core of the party leadership since Saturday. This four-man "head" of the Hungarian Socialist Workers Party [MSZMP], a Presidium, is something completely new in the Hungarian party structure. It has been formed during a transitory period leading up to the MSZMP congress (in 3 or 4 months time).

The party Central Committee has suspended the Politburo in the form it has held so far; however, it has created a 21-man Political Executive Committee.

The MSZMP Presidium appears to have a dual function. First, it is meant to replace the Politburo at a difficult time of preparations for the congress; and second, it is becoming the party's command center, restricting the MSZMP general secretary's scope and powers to a certain extent. The most important decisions will be made collectively, and in the event of a tie, the scales will be tipped by the party chairman. This too involves a major change. The post of party chairman is no longer an honorary one, as it was when Janos Kadar held it. He required the MSZMP general secretary's permission to attend Politburo sessions.

Let me say a few things about Professor Rezso Nyers, the second MSZMP chairman. This 66-year old economist and politician was one of the fathers of the Hungarian reforms in 1968. As Politburo member and Central Committee secretary, he was responsible for economic affairs. Because his economic ideas were not heeded, he left the Hungarian leadership in the middle of the seventies, and devoted himself to scientific work.

One of the sensations at last May's party conference, when Karoly Grosz was appointed party leader, was Nyers return to the Politburo after an absence of 13 years. I interviewed him for ZYCIE WARSZAWY then. I will quote an extract from that interview to illustrate the character of the present Hungarian party chairman:

"First I was a social democrat, and then I became a communist, though not in the spirit of the Third International. The Hungarian party is a united party. By means of the economic policy that is being shaped right now, we want to take a step toward the kind of combination of politics and communism that will take into account the permanent values of social democracy. I wish to add that already in the past, communists accepted things that were ahead of the times, things valued by social democrats in defiance of the currents and fashions of the time. There are many indications that if we have enough resilience and consistency, then at a certain point we will become an organic component of Europe, and then the world. We will not be isolated; instead, we shall open ourselves out more and more."

There is no need to describe the remaining three members of the Hungarian party leadership because they have all presented their views in interviews for our paper.

One can also describe the MSZMP plenum which ended on Saturday as a serious attempt to rescue the MSZMP from disintegration. If the MSZMP wishes to remain a ruling party and, at the same time, set the tone for the revaluations occurring in Hungary, it cannot stop halfway along the road. It must boldly shed its old skin. Hasty actions or errors could be expensive. Therefore, the reformers are closing their ranks.

Politburo Hears Report on State of Economy

LD2706212589 Warsaw Television Service in Polish 1730 GMT 27 Jun 89

[Text] The Polish United Workers Party Central Committee Politburo has heard an assessment of the state of the economy. The working people are acutely affected by shortages of goods and the wages and prices race which is fueling the rate of inflation. Special attention was devoted, reads the communique on the meeting, to supplies in large working class conglomerations and the living conditions of families on low incomes, pensioners and the situation in contract purchasing of agricultural produce and food processing.

The party leadership has been presented with various strategies for overcoming the economic difficulties and accelerating radical economic reforms. The government representatives reported on the actions which have been taken to restore market stability. Such efforts, stated the Politburo, must be continued with unwavering energy. The success of the radical economic transformations, it was stressed, is dependent on the level of social approval. What is needed, therefore, are wide-ranging consultations with working people, the trade union movement, party members and all political forces in Poland.

Baka Interviewed on Economic Situation

LD2706215789 Warsaw Television Service in Polish 1730 GMT 27 Jun 89

[Interview with Wladyslaw Baka, member of the PZPR Central Committee Politburo, by unidentified correspondent on 27 June; place not given—recorded]

[Text] [Correspondent] The first item of today's talks, conducted by members of the Politburo, was an assessment of the economic situation of the country.

[Baka] Yes. The Politburo examined problems connected with the country's current economic situation. The discussion was both very criticial and intense, relative to the intensity of this situation, it may be said. Before I go further, I'd like to say a little about the background against which the Politburo is making such an assessment.

I don't know if you remember, ladies and gentlemen, that in the autumn last year, during the Sejm debate on the dismissal of Premier Messner's government, a very important problem arose, namely the responsibility of party political echelons, for government activity. The conclusions reached at that time meant leaving the government with full independence. Our party put forward this initiative, and this principle of full government independence and responsibility for decisionmaking is adhered to without exception.

The first secretary does not involve himself and does not take the place of the premier in his decisions; the economic secretary does not step on the toes of ministers or deputy premiers. The same applies to the whole party apparatus. Representatives of the apparatus do not participate either in Council of Ministers meetings, nor in meetings of the Council of Ministers Economic Committee, not in ministerial councils. There is also no direct influence, therefore, on specific decisions. I think that this is right. It is in order.

[Correspondent] However, the party, nevertheless, secured for itself the means of assessing the work of its members who occupy government posts.

[Baka] Quite, but the party, which recommends members of the party for work in the government cannot be free of political responsibility, and apart from this, from political evaluation. The Politburo's assessments are exactly like this. A political assessment cannot be abstracted from the specific situation.

Now, as regards specific problems: It was acknowledged that the economic situation is very difficult and the market situation frankly bad; the trends appearing here are very disquieting. An appeal was made to the government to fundamentally and decisively put a brake on price rises, so as not to involve itself in price rises, so that these matters of, let's say, regulating price and financial relations, should be left for comprehensive regulation by

the new government. Attention was drawn to the indispensibility of mobilizing all activity to increase the supply of goods, both from internal and external sources, particularly to key areas.

The Politburo also concerned itself with more general problems connected with the functioning and the reform of our economy. We must acknowledge the activeness, radicalism, and dynamism of the government's initiatives. This is the assessment of many bodies in Poland. Such an assessment dominates abroad, and this is true—you know yourselves, ladies and gentlemen, how much has already changed. This is being achieved in extremely difficult conditions. Problems with the reform process are appearing everywhere. This is not a painless process, in Hungary, in the USSR, in China, everywhere. This is understandable. The issues, however, depend on this, that we should attempt to minimize the weaknesses and mistakes and draw conclusions from experience. That is also why, while fully agreeing with the correctness of the road of reform which the government is following, the necessity of drawing attention to certain weaknesses and the need to rectify them, was acknowledged.

A priority issue is that of privatization. We support transformations in property relations. However, we believe that this must take place on principles defined by the Sejm, by the parliament, in directions and within the framework established by parliament, because only this sovereign authority is empowered to decide what type, what sort, what form of privatization lies in the interests of the Polish population.

Another matter: Privatization should take place in an open manner. We must not allow shares to be sold—if it can be put like this—secretly. And finally, we must define the principles of the involvement of the state apparatus, other people (?and those having) an influence on decisions, in the matter of the purchase of shares. There cannot be ambiguity here. It was acknowledged that privatization on these principles, someone taking advantage of his position to buy shares, is reprehensible and must be eliminated as irregular. Attention was also drawn to the need to treat seriously the matter of the equality of sectors. At the moment, the state sector finds itself in a considerably worse position than other sectors. This means that people shy away from state enterprises, enterprises become empty, whole (?production) lines stand still. This leads to a loss for the market, for society. With the principle of the quality of sectors, let the more efficient triumph, yes, but let there be the same conditions for all. This was yet another issue which was pointed out to the government.

Also pointed out were the pathological phenomena in organization and activity of companies. Apart from the healthy trend in their activity, there also exist pathological phenomena, namely, companies are created in order to dodge the regulations, nothing new is created, and incomes are multiplied without good reason. A lot of attention was also devoted to the issue of increasing fiscal controls. If we want to ensure the permanence of the private and other sectors, the rules must be clear and the credibility of income tax statements must be verifiable. There must be no cases, as now, whereby for instance, the private sector in transportation declares its incomes to the extent of having paid last year 21,000 [currency unspecified] per month for national insurance, when the state sector paid 58,000—over twice as much. What does this mean? It means simply that the tax declarations are false. Fortunes are born without sources—all this should be made clear, as is the case in the countries where the private sector is doing well, and is contributing to the well-being of the whole nation.

Finally, a very important matter: If we are facing a policy of sacrifices, then the sacrifices can only be made by people if they apply to everyone. They should not just apply to one group. Solutions must be modified to take this into account. It was pointed out that it was necessary to urgently set in motion the Social and State Commission. Incidentally, during the roundtable negotiations, Solidarity submitted informally its readiness to take part, but only on the platform of joint deliberations of the government and trade union representatives of all orientations is it possible to conduct correctly the incomes policy, otherwise it will be robbery. The ones who are more brutal, militant, and stronger will push their demands through, and will do alright.

A final point. A conviction was expressed that in the new parliament, with the opposition, economic matters will be better resolved. By the activity of the opposition a higher quality of decisions can be ensured by way of critical evaluation and assessment by the opposition of government proposals. On the other hand, cooperation with the opposition can create a greater possibility for realizing decisions, and can significantly increase the efficiency of all the programs to be tackled by the new Sejm. This was the essence of the debate during today's Politburo session.

[Correspondent] The essence, which is quite extensive in volume, but after all, 9 months have passed.

[Baka] Yes. What is most important is that we evaluate the strategy of reforms which have been adopted as the strategy of no other alternatives and a correct strategy. What is most important is that we do not hesitate to admit errors; what is most important is that we have the will to change everything that should be changed, and to strengthen what has passed the test. In other words, we are not approaching our creation, if I can put it this way, in a dogmatic or scholastic manner, but in a creative one. It may be that some people will be upset, because nobody likes to be criticized, but this is in the interest of society, and finally in the interest of those who are criticized.

Jaruzelski Opens PZPR Deputies' Club Session

AU2706160789 Warsaw TRYBUNA LUDU in Polish 24-25 Jun 89 p 1, 2

[Report attributed to Anna Pawlowska and PAP: "First Session of the PZPR Deputies Club"]

[Text] There are 173 of them, but only 12 of their number were Sejm deputies in the preceding parliament. They all met on the 23 June in the headquarters of the party Central Committee. On their way to the discussion hall they still clung together in their own voivodship groups, later, the first break saw informal contacts, talks, and exchanges of opinions. These people represent the party in the coming parliamentary term of the 10th Sejm. The inaugural session was chaired by the first secretary in accordance with the accepted tradition.

The meeting was opened by Wojciech Jaruzelski. The following are the more important passages from his speech:

Today's gathering is the first de facto meeting of the Polish United Workers Party's [PZPR] Deputies Club, although de jure it is not a deputies club before the taking of the oath prior to the inaugural session of the Sejm.

You have just come through an unprecedented election campaign in the history of People's Poland. In reality it was a hard political lesson because of the tough election competition and the present socioeconomic situation of the country.

I congratulate you all on your election as Sejm deputies, and on the courage and determination you showed during this difficult campaign. You came through a stiff political battle.

We are meeting at a time of watershed for Poland. The decisions of the 10th Plenum which led to the "round-table" social accord fundamentally deepened and accelerated the process of democratization.

The PZPR Deputies Club has a particularly important role to play in the parliamentary arena. The club has become the joint guarantor of a socialist development for Poland by implementing the party's policies in the Sejm.

What are these policies?

They are the policies outlined by the 10th Plenum resolution and affirmed by the PZPR Election Declaration, and continuously enriched and developed by new experiences and thoughts. The policy of the party is not self-seeking; it is for the people, the nation, and for Poland. It is the policy of bold reforms and answerability for national security and stability. It is a policy of effective, just, and attractive socialism.

The next step on this road will be the 13th Plenum, and a strategic milestone along this road will undoubtedly be the 11th Congress.

We must not neglect to show the clearly changing face of the party even today. We must show its honesty in exposing and overcoming the effects of unhealthy political outgrowths, in putting itself to a difficult political test, and above all, its loyalty to its own principles and its ability to adapt in the light of new thinking and circumstances.

I believe that the PZPR Deputies Club will be a most valuable element of and a kind of mirror-image of such a party.

The party and the Central Committee acknowledge the high importance of its Deputies Club. Its deputies are guaranteed active participation, that is, joint authorship in deciding party strategy. We shall do our utmost in order to guarantee the effective functioning of the club.

The effectiveness of our Deputies Club, the success of its initiatives, will be decided by cooperation within the coalition. We lay great weight on this, namely, on the relations with our partners, relations which are based on mutual confidence.

I also hope that in the Sejm, and especially in its various commissions, there will emerge certain forms of constructive cooperation with opposition deputies and senators in the name of the superior interests of the Polish People's Republic.

Regrettably, the elections had many aspects of confrontation. It would be very desirable if the work of the parliament could be kept at an appropriate and responsible level of debate. Our deputies must prepare themselves well for this work.

The party declares its continuing support for the "round-table" agreements and its sincere readiness to jointly shape a grand coalition for reform. The rejection of this idea by standing on the sidelines as a critic of our complicated reality would be the wrong decision to make.

In practical terms, you will also represent new cadre changes within the party. The majority of you have no previous parliamentary experience, which is a handicap, though admittedly only a minor one. Your great advantage is the fact that you have gained your seats in an election contest, and by direct contact with the electorate.

You must cling onto and tighten this contact at all cost. This will be the strongest element of your strength and a perpetual source of inspiration to you. That is, if you also

remember that, as a rule, the long-term strategy is more important than short-term measures, the general is more important than the specific, and the overriding is superior to the particular.

Your task in the Sejm will not be easy. We are all embarking on a great historical experiment, which although difficult, affords the opportunity to create a unique model of socialist parliamentary democracy.

The future of the party and its standing in society, and the fate of democracy, indeed of Poland, are also in your hands as from today.

I wish you success and affirm the Central Committee's intention to cooperate with you, and to give you its support.

Next came the ceremony of presenting certificates of election to each deputy. These were presented by Professor Alfons Klafkowski, chairman of the State Election Commission. Wojciech Jaruzelski individually congratulated each deputy. The deputies will formally become Sejm deputies when they take the oath during the first session of the Sejm.

Except for the election of the chairman and secretary, it was decided to postpone any further decisions in relation to the full constitution of the Deputies Club authorities.

The Politburo recommended that Marian Orzechowski, secretary of the Central Committee, be elected chairman of the Deputies Club. Deputy Jan Kuklinski from Gdansk asked him to expound his ideas on the relationship between the party leadership and its deputies. The element of concern shown by the deputies relating to their freedom of conscience, their fear of the excessive use of democratic centralism, and anxiety for their position as joint creators of the party's policies, was also evident in many of the later discussions. Marian Orzechowski stated that the main obligation of a party deputy is adherence to the party program and the resolutions ensuing. As for attempts to direct the deputies, this was out of the question.

In an open show of hands, with two people abstaining, Marian Orzechowski was duly chosen as the chairman of the PZPR Deputies Club. Edward Szymanski was elected secretary of the club, with 11 people abstaining. He will also be director of the parliamentary bureau of the Central Committee.

Marian Orzechowski called upon Zygmunt Czarzasty, secretary of the Central Committee, to give an outline of the election campaign and the conclusions to be drawn therefrom.

Z. Czarzasty thanked all the deputies who had stood as candidates for the Sejm and Senate and the party aktivs who had been involved in the campaign. He discussed the causes for the setback the coalition had suffered. He stressed the importance of the approaching election of the president and the formation of the new government. He also discussed the mood prevailing inside the party and warned against succumbing to defeatism. This problem elicited a lively discussion. The deputies demanded that a list of election errors be drawn up and recommended that these should be subject to severe scrutiny by the coming Central Committee plenum and party congress. It is at this juncture that the deputies' concern for their freedom of conscience surfaced. There were many complaints against the party, and the way the party had often acted ineffectively, or at times, the lack of party activity during the campaign. There were also voices that presented what had happened in a rational and objective way, without succumbing to over-dramatization, and calmly drawing notice to the most pressing tasks now faced.

Czeslaw Kiszczak then informed the deputies of the current political situation in Poland, the development of various associations in the light of the new legislation, and of the state of the current talks with the opposition, in which the representatives of the church are also taking part.

Wladyslaw Baka, Janusz Reykowski, and Aleksander Kwasniewski, joint chairmen of "roundtable" teams, discussed the implementation of the agreements and the difficulties which were emerging. The legacy of the outstanding "roundtable" matters was thus passed to the deputies. In the economic sphere, there still remains the introduction of all those matters which require financial investment. These matters constitute about 30 percent of the agreements reached. In the political sphere, there is further work to be done in the areas of the judicial system, the mass media, and most important, in the area of local self-government. The "roundtable" agreement on union matters, left it to parliament to introduce radical changes in the field of unions and in the labor code. All the speakers were asked questions and not all they said met with approval.

Mieczyslaw Rakowski then informed the deputies of his assessment of the country's situation and his prognosis for the future. He stressed that reform of the state and the economy had to be viewed as a natural process which is subject to acceleration, or a slowing down, depending on the influences acting on it at any particular time. He noted that the deep economic changes had already received a legal framework which now needed to be complemented by practical experience. It was here however, that certain problems were becoming apparent, one of the main ones being society's attitude toward these matters. The tempo of reform will have to take this into account.

Deputy Premier and Sejm Deputy Ireneusz Sekula, elaborated on Mieczyslaw Rakowski's theme of the economic and political situation, and additionally commented on international cooperation and the question of Poland's debt. The new Sejm will have to consider three

additional legal matters necessary to the economic reforms. These are: a law on communal property, a law on shares, and a law on income tax.

The deputies also addressed numerous questions, criticisms, and suggestions to the government representatives.

It was thus a day full of work, not totally free from tension or controversy, but one which testified to a great feeling of responsibility shown by the deputies. They frequently stressed that "they are different deputies in a totally different Sejm." The meeting continues on Saturday [24 June].

Environment Minister Koziol Interviewed

AU2006133689 Sofia RABOTNICHESKO DELO in Bulgarian 19 Jun 89 p 6

[Interview with Jozef Koziol, minister of environmental protection and natural resources, by RABOTNICHESKO DELO correspondent Angelina Nikolaeva in Poznan: "Ecology—Unlimited Concern"—date not given]

[Excerpts] At the end of April this year an international exhibition of apparatus and control and measuring systems for environmental protection, the first of its kind in Poland, was held in the Poznan fairgrounds. Companies from Poland, the Georgian Soviet Socialist Republic, Austria, the FRG, Denmark, and Finland took part. At the same time, an international conference also took place on "Measurement and Measuring Systems for Environmental Protection," at which scientists from different countries read a total of 45 papers. Problems arising from air, water, and soil pollution were discussed with alarm and concern, and experience was shared on protecting the environment and perfecting technical monitoring systems. Our country also took part in these discussions. [passage omitted]

The general impression left with every visitor is the great interest shown not only on the part of enterprises and associations, but also by higher educational establishments in Poland in producing ecological apparatus and control and measuring systems. What are the reasons for this, and is there anything in particular that motivates the producers? I tried to find this out in my conversation with Jozef Koziol, minister of environmental protection and natural resources of Poland.

[Koziol] With the introduction of the new law on ecological development in Poland, a marked increase is being noted in the production of control-measuring and purification equipment. State enterprises and cooperative and private companies are already doing serious work in this field. It is mainly young people who have entered this field of production, a new one for us, and this in my view guarantees that it will have a future. The electronics industry and production sharing with other countries are developing at a fast rate; four agreements have already been concluded with the FRG.

[Nikolaeva] What does the new law on ecological development comprise?

[Koziol] It unties the state's hands to stimulate the production of ecological apparatus and equipment through the direct allocation of funds and through the tax system. Every association (between a foreign and a Polish enterprise) operating in the ecological field is exempt from paying taxes during the first 5 years following its formation. Thereafter, if it exports its products to third countries, it is granted a 40-percent tax deduction. With these incentives we aim to attract leading world companies for joint work. There are already definite positive results.

[Nikolaeva] In this common drive to adapt the economy to ecological needs, what is the role of your ministry?

[Koziol] The ministry is the central coordinating body for issues concerning protecting the environment and natural resources. Its main functions are to create legal and economic conditions for protecting and monitoring the state of the environment. Our decisions are not binding in nature, but government departments and local authorities are obliged to take our views into consideration. For example, we may close down an enterprise that has exceeded the permissible norms and presents a danger to people's health. By means of constant control (which is strict and uncompromising!), we are promoting the obligatory installation of purifying installations, and hence are also assisting the rapid development of production of such treatment installations.

[Nikolaeva] What is the cooperation between our two countries like in this field?

[Koziol] We maintain close contacts with the Bulgarian Committee for Protection of the Environment. We have prepared a program for work on ecological problems and submitted it to the United Nations. We have also acquainted our comrades from Bulgaria with this program. We are about to sign an agreement on closer cooperation. We are preparing an international conference on legal issues relating to the ecology, which will take place in Poland this autumn. Representatives from Bulgaria will also take part in this conference.

India's Natwar Singh Interviewed on Relations

AU2706155989 Warsaw RZECZPOSPOLITA in Polish 24-25 Jun 89 pp 1, 6

[Interview with Natwar Singh, Indian minister of state for external affairs, by Danuta Walewska: "We Are Living in a Better World"; in Warsaw; date not given]

[Excerpt] [Walewska] Minister, you know our country very well. You were ambassador to Poland once. What do you think are the greatest differences between the Poland of the seventies and today's Poland?

[Singh] Today, Poland is going through a period of fascinating reforms. The elections are over, and a period of constitutional implementation of their results is under way. Not just Europe, but the whole world is viewing this process with great interest. We in India are also observing this process with understanding and warm feelings. Thus, the situation in Poland today is completely different from the situation in the seventies. This is largely the result of Mikhail Gorbachev's reforms in the USSR, "perestroyka" and "glasnost." However, I realize that each country is unique and possesses its own individual conditions in which to act, therefore political processes vary. That is why the "Polish way"—elections and an agreement on the distribution of seats in Parliament—is a great event, thanks to the way in which the elections were held.

[Walewska] Are you happy with the present relations between India and Poland? Do you think it is easier and more pleasant to be Indian ambassador to Poland today?

[Singh] Our present ambassador, Gurdip Singh Badi, is witnessing historic events. Of course I envy him, but I remember my own tour in Poland with satisfaction. The general interest in India here is a constant surprise to me. There is a lot of friendship and warmth here in relation to my country, and we are reciprocating these feelings. I spoke to Lech Walesa, and he also spoke about India with great feeling, respect, and sincerity. I was very moved.

[Walewska] You also met with Premier Rakowski....

[Singh] I have known Premier Rakowski since he was editor of POLITYKA and I was ambassador to Poland. Even then he was a major political figure, and now he is premier. I really admire the way he is running your country's affairs; after all, he is under great pressure. We spoke to each other briefly, but this was a very good meeting. [passage omitted]

Communique on Malaysian Foreign Minister Visit

AU2706114689 Warsaw TRYBUNA LUDU in Polish 21 Jun 89 p 2

[PAP report: "The Minister of Foreign Affairs of Malaysia Has Ended His Visit—Press Communique"]

[Text] Datuk Omar Abu Hassan, Malaysian minister of foreign affairs, paid an official visit to Poland from 17 to 20 June, at the invitation of Tadeusz Olechowski.

Minister Abu Hassan was received by State Council Chairman Wojciech Jaruzelski. During the talks, a desire to expand Polish-Malaysian relations was expressed, and selected international problems were discussed. On behalf of the Malaysian king and prime minister, Minister Abu Hassan renewed his invitation for the State Council chairman to pay an official visit to Malaysia.

Minister Abu Hassan was also received by Mieczyslaw F. Rakowski, chairman of the Council of Ministers. Minister Abu Hassan conveyed to Premier M.F. Rakowski an invitation from Prime Minister Mahathir bin Mohamed to pay an official visit to Malaysia.

During talks at the Ministry of Foreign Affairs, the two chiefs of diplomacy briefed each other on the situation in Poland and Malaysia, carried out a review of bilateral relations, and exchanged views on international and regional topics in which there is mutual interest.

Discussing bilateral relations, the ministers highly praised Polish-Malaysian political dialogue and noted the progress brought by both countries efforts to expand Polish-Malaysian economic cooperation and trade, especially in railroads, electrical equipment, and the manufacture of industrial goods. The Malaysian side asked for greater Polish imports of Malaysian raw materials. For the sake of a further development of relations, the ministers agreed to hold regular consultations at the deputy foreign minister level.

The ministers underlined the similarity of the views of both countries on basic international issues, such as East-West relations, disarmament, environmental protection, the elimination of international debts, and the fight against drug addiction. They also exchanged views on a peaceful settlement of regional conflicts, the development of the geographic regions of both countries, and the Antarctic. They expressed satisfaction with the successful joint activity between Poland and Malaysia in the United Nations and other international organizations, as well as in the UN peacekeeping forces in Namibia.

Minister Abu Hassan met with Dominik Jastrzebski, minister of foreign economic cooperation. They discussed, among other things, direct cooperation between Polish and Malaysian enterprises in selected branches of the economy.

Minister Datuk Omar Abu Hassan invited Minister T. Olechowski to pay a visit to Malaysia. The invitation was accepted. The date of the visit will be established by diplomatic means.

Journalists' Association President Elected

LD2706225989 Warsaw PAP in English 2218 GMT 27 Jun 89

[Text] Warsaw, June 27—The Association of Polish Journalists (SDP) held a general assembly in Warsaw June 26-27, electing Stefan Bratkowski its president. In a statement made for PAP, Bratkowski said in part:

"Before December 1981 we strived to stop the press, radio and television from being treated as a tool of the authorities in power and allow it to be media of mutual social communication. These communication media, when not treated as mass media and one-sided at that,

can play a tremendous role in mobilizing social activity for the rebirth of our country. We were convinced about this at that time and remain to be convinced till this day."

Association Issues Resolution

LD2806012889 Warsaw PAP in English
2300 GMT 27 Jun 89

[Text] Warsaw, June 27—The general congress of the Association of Polish Journalists (SDP) ended today its two-day debate. That was the first congress called by the association after its legalization.

2,030 SDP members formally joined the association since the beginning of the congress. 1,196 mandates were issued. The congress elected unequivocally Jerzy Turowicz honorary president of the association on Tuesday.

The final resolution of the congress emphasizes that the SDP existed [word indistinct] despite being illegal under the marshal law and afterwards. It also states that key task of the association are to be the striving for freedom of speech and full public access to mass media.

The SDP will support all independent initiatives concerning the press. The congress obliged the association's council to work out a draft of the new information order, create a fund for free speech, establish an independent news agency and organize training for young journalists. The association is opened for all journalists whose professional output is unquestionable.

Polish-American Debating School Opens in Warsaw

AU2406153989 Warsaw PAP in English
1455 GMT 24 Jun 89

[Text] Warsaw, June 24—A Polish-American school of parliamentary debate will start work June 25 at the University of Warsaw. It will train students from East and West in parliamentary debate and discussion over serious international problems. The school has its patron in the American Whig-Cliosophic Society of Princeton University, the world's oldest university society for parliamentary debates, whose several members later became U.S. presidents.

The school's organiser on the Polish side is the Student Association of Friends of the United Nations.

Rural Youth Union National Board Meets

LD2506194389 Warsaw PAP in English
1645 GMT 25 Jun 89

[Text] Warsaw, June 25—Eighty-seven members of the rural youth union ZMW ran in the elections for the Sejm and Senate earlier this month and the entire organisation is satisfied with the fact that for the first time ever the union could take such a big part in democratic parliamentary elections, ZMW leader Roman Kupijaj told a plenary meeting of the union's national board here today. Fourteen deputies in the 10th Sejm are members of the ZMW.

With a support from political parties, without old behaviours of youth activists, such as their exercised respect to representatives of other organisations running in the elections, their result could have been better for the ZMW.

In the battle for the interests of rural population, agriculture, food economy, the ZMW must closely cooperate with other forces, among them the Solidarity union of private farmers to the benefit of all nations and, by this, all organisations operating among rural people, the discussants said.

The plenary meeting also defined its position on the recent price hikes on farm production means. The ZMW, a resolution reads, has always represented the opinion that the burden of overcoming the crisis cannot continuously rest with rural people and agriculture.

FRG, France Inquire About Arrested Romanian

LD2606165589 Hamburg DPA in German 1626 GMT 26 Jun 89

[Text] Bonn (DPA)—In a joint diplomatic representation, the foreign ministries in Bonn and Paris today appealed to the Romanian leadership to enable personal contact to be made with the former Romanian Foreign Minister Corneliu Manescu. The 73-year-old, who was foreign minister of his country from 1961 to 1972, and who was later ambassador in Paris, has been under house arrest since April this year. All attempts, including one by Foreign Minister Hans-Dietrich Genscher, to establish contact with Manescu have been in vain up to now. Letters from Genscher and from the FRG ambassador in Bucharest have obviously not reached the addressee, who is reported to be seriously ill.

Doubt was cast as to the authenticity of two letters, purportedly from Manescu, that arrived not long ago at the French and FRG embassies in Bucharest. The foreign offices state that the circumstances of the writing are unclear. In the mysterious letters in the Romanian language the former foreign minister asks to be left in peace. The leadership in Bucharest should allow the ambassadors themselves to be able to get a picture of Manescu's situation through a personal visit, it said in a statement issued in Bonn.

Further on 27 Jun Central Committee Plenum

Ceausescu Chairs Meeting

AU2706195389 Bucharest AGERPRES in English 1837 GMT 27 Jun 89

["Plenary Meeting of the Romanian Communist Party's Central Committee"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 27/6/1989—The plenary meeting of the Central Committee [CC] of the Romanian Communist Party [RCP] started on June 27 under the chairmanship of Nicolae Ceausescu, general secretary of the Romanian Communist Party.

The participants include the full and alternate members of the party's Central Committee, the members of the Central Auditing Commission of the RCP, as well as cadres with responsible offices in economy, in other domains of activity who are not members of the CC of the RCP.

The plenum unanimously approved the following agenda:

1.—On the calling of the 14th Congress of the Romanian Communist Party.
2.—The draft master programme of the RCP 14th Congress concerning Romania's socio-economic development in the 1991-1995 five-year period and the long-term orientations until 2000-2010.
3.—Draft theses for the 14th Congress of the Romanian Communist Party on the development of Romanian society, the improvement of social and economic administration, the development of revolutionary worker democracy, the growing role of the Romanian Communist Party and the ideological, political-educative activity, the higher level of scientific knowledge and culture, of revolutionary conscience, the balance of forces and the fundamental characteristics of the international situation.
4.—On the fulfilment of the plan for the first six months of this year, and measures for the implementation of the plan for the next six months and the whole year 1989.
5.—On the draft single national plan of socio-economic development of the Socialist Republic of Romania for 1990.

The proposal of the Executive Political Committee of the CC of the RCP was presented before the plenum, regarding the reelection at the 14th Congress of the party, of Nicolae Ceausescu to the supreme office of general secretary of the Romanian Communist Party. The proposal of the Executive Political Committee of the CC of the RCP was presented by Manea Manescu.

The members of the Central Committee, of the Central Auditing Commission of the party, all the attendance approved in enthusiastic unanimity that Nicolae Ceausescu, prominent revolutionary campaigner, ardent patriot, founder of modern Socialist Romania, be nominated for re-election at the 14th RCP Congress at the head of the Communist Party—the leading political force, the vital nucleus of the whole society—to lead further the Romanian people's destiny on the bright road of socialism and communism.

In connection with the proposal of the Executive Political Committee of the CC of the RCP, enthusiastically approved by the participants in the plenary meeting, Nicolae Ceausescu took the floor.

Debates on the items on the agenda followed, within which numerous participants made addressed.

Constantin Dascalescu, prime minister, presented to the plenum the stage of fulfilment of the plan for the first six months and the steps to fulfil the plan tasks for the second half of the year and the whole year 1989.

The plenary meeting proceedings continue.

Ceausescu Addresses Plenum

AU2706205489 Bucharest AGERPRES in English 1911 GMT 27 Jun 89

["President Nicolae Ceausescu's Address"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 27/6/1989—Taking the floor on June 27 at the plenary meeting of the CC [Central Committee] of the RCP [Romanian Communist Party], the party's general secretary Nicolae Ceausescu thanked the party's Central Committee for its

decision to advance for discussion in party meetings, in party conferences and at the congress, his re-election to the highly responsible office in the party and the state—that of general secretary of the Romanian Communist Party.

Nicolae Ceausescu said in his address:

Since almost 60 years, in the Trade Union and Communist Youth activity, in the party I have always worked as a truthful soldier of the party, as a son of the people to which I was born—of the workers, peasants, of our whole nation—, convinced that it is only and solely the way pointed out by communists that is the way to freedom, to our people's dignified and free life.

I have always fulfilled the tasks set by the party in any domain of activity. I have always considered that a party activist must always answer the party's call, work with all his forces for the fulfilment of the party's general policy. I did it in the hard years of underground activity and have done it in the years after liberation, in socialist construction, in our homeland's firm advance on the path to socialism and communism.

The party has entrusted me with this high office of general secretary on the party since 24 years. This office has been confirmed many times by the party's congresses and also by our whole people, through the votes give me as a deputy and then as president of the Socialist Republic of Romania.

Now that I am nominated again for this high office, I can state that I have always worked, together with the Central Committee, with the other comrades on the party's leadership, with the party and the whole people, to ensure the implementation of the programs of socio-economic development, of raising the people's level of civilization, of material and spiritual welfare, of continued strengthening of the country's independence and sovereignty.

The emphasis placed on the importance of the 9th congress for the socialist construction in our country is correct. But I want now too, very synthetically, to stress with all force that the 9th congress would not have been possible without the carrying through of the revolution of social and national liberation, without the other congresses of the party, without the century-long struggle of our forerunners for the formation of the Romanian people, nation and national state.

It is the duty of any Communist to always stress the fact that everything that was achieved in our homeland along the centuries ensured the continued raising of Romania onto new and new summits of progress and makes the foundation of our present achievements. That is why we must always praise, with our whole conscience, all those who fought for Romania's existence, the progressive, revolutionary forces, must praise our people, the true builder of its own history, of Romania's independence and sovereignty. It is the builder of today's Romania.

No doubt, dear comrades, many mistakes were made in the long-lasting battles, in the work to develop our country, in effect, there were different social systems. A number of mistakes were made even during a stage of the socialist construction. But when viewing critically some past states of affairs we must always set forth what provided the progress of our people and valuate those who did everything, who sacrificed their lives for the glory and the freedom of our entire nation. It is only by so doing that will we be genuine communist activists, that will we always work as genuine people with a great responsibility for the past, the present and the future of our homeland.

As Eminescu said in some of his stanzas, in "Srisoarea I" [The First Letter], nobody must only see what was bad, what was negative. We have to see what was lofty in the past struggle of the Romanian people, what ensured its progress. It is this that we must always remember. Any other attitude actually means hurting the people, the working class, the party, it actually means working against the interests of the socialist and communist development, against the people's well-being and independence.

At the conclusion of his address, Nicolae Ceausescu assured the whole party and the whole Romanian people that if he were granted confidence once more he would work just as before, with all this might in order to ensure the implementation of the goals for the development of the homeland over the next interval until the years 2000, for the unflinching implementation of the party program.

There is and there will never be any loftier goal, the speaker said, than the supreme cause of socialism and communism, the cause of the people's well-being and happiness, of its greatness, of the independence and sovereignty of our socialist homeland, the Socialist Republic of Romania.

PEC Proposal on Reelection

AU2806064889 Bucharest AGERPRES in English 2220 GMT 27 Jun 89

["Proposal of the Executive Political Committee of the CC of the RCP for the Reelection at the 14th Congress of the Party of Nicolae Ceausescu to the Office of RCP General Secretary"—AGERPRES headline]

[Text] Bucharest, AGERPRES 27/6/1989—Upon instruction from the Executive Political Committee of the CC [Central Committee] of the RCP [Romanian Communist Party], Manea Manescu subjected to the plenum of the CC of the RCP for approval the proposal that Nicolae Ceausescu, the ardent patriot and prominent revolutionary, founder of Socialist Romania, an

outstanding personality of the present-day world, of the international communist and worker movement, be reelected to the supreme office of RCP general secretary.

We are fully confident that this historic proposal springs from the love, regard and gratitude of the Central Committee members, of all Communists, of the working class, peasantry and intelligentsia, of the whole people, the speaker said, stressing that in the six decades of continued and heroic revolutionary activity, Nicolae Ceausescu dedicated his life day by day to the just cause of social and national liberation, of the triumph of socialism, of the Romanian people's independence and happiness, of collaboration and peace in the world.

Highlighting the revolutionary activity unfolded by Nicolae Ceausescu at the head of the RCP and of the country, that is blended with the very life and fight of the heroic Communist Party, the speaker said inter alia:

Our whole people knows and assesses highly the decisive role Comrade Nicolae Ceausescu has played in the elaboration and implementation of the grand targets of building the socialist society in Romania, in the bright revolutionary epoch ushered in by the grand congress of 1965, in the substantiation of the most viable ways and solutions for the settlement of the complex issues posed in every stage by the building of the new system, the country's firm progress on the road to socialism and communism.

Under Comrade Nicolae Ceausescu's wise leadership the documents of fundamental importance we debate in our plenary meeting—the theses for the supreme forum of the party and the draft directive programme of the 14th Congress of the Romanian Communist Party, regarding the economic and social development over the 1991-1995 five-year plan period, and the future orientations until the years 2000-2010, which illustrate his fertile political, scientific and revolutionary thinking, his comprehensive theoretical and practical vision, will make a mobilizing programme of work for the entire people, a lasting base for the continuous economic and social development, for the homeland's firm progress towards ever higher peaks of progress and civilization.

Stressing that Nicolae Ceausescu's reelection in the supreme office of RCP general secretary is the safe guarantee for the continuity of the process of building the multilaterally-developed socialist society, on behalf of the Executive Political Committee the speaker suggested the plenary meeting of the CC the endorsement of a decision concerning Nicolae Ceausescu's reelection as general secretary of the Romanian Communist Party by the 14th Congress.

Congress To Convene 20-25 Nov

AU2806125289 Paris AFP in English
1241 GMT 28 Jun 89

[Text] Bucharest, June 28 (AFP)—The Romanian Communist Party will hold its 14th Congress from November 20 to 25, head of state Nicolae Ceausescu said Wednesday.

The decision was taken at a plenum meeting here of the Central Committee which also agreed unanimously to nominate Mr. Ceausescu for reelection to the post of party chief, which he has held since 1965, at the congress.

The two-day meeting, which began Tuesday, also adopted a five-year plan for 1991-1995 and goals for the decade starting in the year 2000 which will be debated by the congress.

SCINTEIA on Vienna Arms Negotiations

AU2706161489 Bucharest AGERPRES in English
1459 GMT 27 Jun 89

["For a Europe of Peace, Security and Collaboration by Building Up Confidence Among States"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 27/06/1989—A commentary in the Romanian daily SCINTEIA of 27 June regarding the double negotiations in Vienna on the conventional armed forces in Europe and on new confidence- and security-building measures in Europe shows inter alia:

Considering the development of cooperation and the achievement of security on the European continent as fundamental targets of its foreign policy, Romania has permanently militated for the adoption of firm confidence-building and disarmament measures, of nuclear disarmament first and foremost, without which the achievement of a real security and peace on the continent is inconceivable. "We consider—President Nicolae Ceausescu showed—that everything should be done so that new disarmament and confidence-building measures be taken in Europe, for the achievement of a united Europe of all nations regardless of social system, starting from the observance of each European people's right to choose the system it wishes".

During the preparatory stage of the conference in Helsinki Romania formulated the idea of calling up a European disarmament conference, stressing the necessity that, on the basis of consultations, all the participating states should examine the whole question regarding the military disengagement and disarmament in Europe. Upon Romania's initiative and owing to its perseverent efforts the Final Act in Helsinki included a separate chapter on disarmament and confidence-building on the continent. In the same spirit, Romania has consistently worked for the achievement, within the all-European meeting in Madrid, of the consensus for calling up the conference on confidence- and security-building and disarmament measures in Europe whose first stage was held in Stockholm over 1984-1986.

The document of the Stockholm Conference, which marked an important progress in comparison with the provisions of the Final Act in Helsinki, provided for a series of concrete, practical and rigorously defined measures obligatory and applicable on the entire European territory.

Romania appreciated that the document of the Stockholm Conference represented a good starting point for achieving the goals of the new negotiations in spite of the fact that the measures covenanted had contributed neither to diminish the intensity and expansion of the military activities on the continent nor to reduce the possibility of launching an armed attack. In Romania's opinion, the negotiations in Vienna should mark a new stage by passing from merely stating the goal of achieving a greater confidence and predictability to really reducing the conditions which could permit the launching of an attack by surprise or other large-scale offensive actions.

For achieving those targets, Romania presented certain specific proposals which—beside the proposals other states advanced—are to be discussed during the negotiations in Vienna.

In Romania's opinion the new set of confidence- and security-building measures should include among other things: the reduction of intensity and area of military activities; the renunciation of certain activities which could generate mistrust and tension; the limitation of possibilities of large-scale offensive actions; the setting of measures apt to prevent nuclear accidents, etc.

A first group of Romania's proposals deals with the creation of security zones and corridors along interstate borders and at the line between the two military alliances.

Romania proposed renunciation of multinational military maneuvers along interstate borders, the creation of areas along them where no maneuvers should take place nor the movement and concentration of armed forces and armaments, where no important element of such forces should be put on the alert, the withdrawal of offensive armaments, the reduction of armed forces and armaments and the limitation of military activities in those areas for their turning into demilitarized zones. Resuming a proposal advanced at the Stockholm Conference, Romania has again suggested the creation, along the borders between the NATO and the Warsaw Treaty countries, of an as large as possible corridor free of nuclear, chemical and other weapons of mass destruction and, in perspective, free of any armaments and military activities except for border guards.

A negative influence is exerted on the international life by the military confrontation on the continent owing especially to the existence of foreign military bases and troops in the territory of other states. That is why Romania advanced in Vienna the proposal that no new troops should be dislocated and no new military bases should be emplaced in the territory of other states, that an end should be put to the development and modernization of the ones in place. Romania also suggested the freezing of military expenditure at the current level and the beginning of negotiations with a view to cut them afterwards.

To avoid the possible accidents with nuclear weapons which can start a nuclear conflagration, Romania proposed that maneuvers and movements of ships and aircraft which transport nuclear weapons nearby terrestrial and maritime frontiers of other states be banned and no military activities be organized next to peaceful nuclear plants. Of special significance in this framework is to stimulate the creation of zones of peace, cooperation and good neighbourliness, free of nuclear and chemical weapons in the Balkans, in central and northern Europe.

In the current conditions of a growing war danger through accidents, Romania suggested the creation of a direct communication system for consultations between heads of state and government and the organization of summit meetings in emergency cases. Romania also pointed to the importance of developing contacts and consultations on European security, with greater attention to be paid to broadening the dialogue between the states of the two military alliances with a view to providing the necessary conditions for a gradual passage to the simultaneous dissolution of the Warsaw Treaty and NATO.

Romania is determined to fully contribute to the success of Vienna negotiations, to the adoption of new confidence-and security-building measures apt to help stimulate the disarmament process, advance on the path opened by the Helsinki Conference and build a united Europe of peace, collaboration and understanding among all peoples.

SCINTEIA on Support for Korean Reunification

AU2606171289 Bucharest AGERPRES in English 1535 GMT 26 Jun 89

["In Support of the Cause of Peaceful and Democratic Reunification of Korea"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 26/06/1989—A commentary on the month of solidarity with the Korean people's fight run by SCINTEIA shows that this is a traditional event in support of that country's peaceful and democratic reunification, the Korean nation's lofty desideratum. The heroism with which the Korean people defended its homeland during the war when it experienced heavy trials proved once again that a people is invincible when it is determined to firmly and self-denyingly defend its independence, its revolutionary achievements and the right to be master of its own destinies.

After the end of the war, the commentary further shows, the people in the DPR of Korea fully committed itself to the tremendous effort for the reconstruction of its devastated country, for its economic and social development. Under the leadership of the Workers' Party of Korea headed by President Kim Il-song, the working people in towns and villages removed in a short lapse of time the huge damage caused by war and started scoring remarkable achievements in developing the productive potential of the country, the whole social life. Owing to the targets it set, the sixth party congress opened new perspectives to the building of the new system.

In the years of socialist construction, the newspaper specifies, the Workers' Party and the Government of the DPR of Korea have worked to cultivate and maintain the feeling of national unity in the Korean people in the North and in the South that was thus separated by an arbitrary demarcation line owing to a more flagrant historical injustice. The DPR of Korea has unflinchingly militated for the overcoming of the existing situation, for the lessening of tension in the Korean peninsula and the creation of conditions for the country's reunification. Scores of proposals were advanced, several constructive initiatives and political and diplomatic actions were taken along this line. The multifarious proposals and initiatives of the DPR of Korea found a concentrated expression in the programme suggested by President Kim Il-song with regard to the creation of the Democratic Confederate Republic of Koryo.

The Romanian people, Socialist Romania, the newspaper shows, have firmly advocated the ideal of the peaceful and democratic reunification of Korea, the proposals advanced by the Democratic People's Republic of Korea. In the spirit of its unswerving solidarity with the Korean people's just cause, President Nicolae Ceausescu stated: The communists and the people of Romania have resolutely supported the Korean people's just fight for national unity, the DPR of Korea's constructive initiatives and proposals apt to lead to lessening tension in the Korean peninsula and to creating conditions for the peaceful and independent reunification of the fatherland by Koreans themselves, without any outside interference. Constantly backed by Romania at the UN and in other international organizations as well as in numerous joint documents signed with other states, this firm position is a real support granted to the Korean people's fight for the country's unification, which is highly appreciated by it.

On the month of solidarity with the Korean people's fight, the Romanian people reiterates its feelings of close friendship with the Korean people, its firm support for the just cause of Korea's reunification, being convinced that the attainment of this grand aim would positively bear on the political climate in Asia, and would be an outstanding contribution to the cause of detente, understanding and peace worldwide.

Markovic Receives Australian Senate President

LD1906142489 Belgrade TANJUG Domestic Service in Serbo-Croatian 1323 GMT 19 Jun 89

[Text] Belgrade, 19 Jun (TANJUG)—Ante Markovic, president of the Federal Executive Council [FEC], today received Kerry Sibraa, president of the Senate of the Australian Parliament, in Belgrade. Markovic and Sibraa expressed their conviction that the difficulties which appeared recently in relations between the two countries following the closure of the SFRY General Consulate in Sydney, will soon be overcome in the spirit of the traditionally good relations between Yugoslavia and Australia. The president of the Senate stressed that, they too, will do everything they can to resolve these problems.

In the talks, they also stressed the interest of the two countries in further improving and expanding economic cooperation, especially through its higher forms.

The FEC president briefed the Australian parliamentarians on the economic reforms in Yugoslavia and the economic policy measures of the Yugoslav government.

Participating in the talks was Dr Marjan Rozic, a delegate in the SFRY Assembly's Federal Chamber.

Milosevic Receives Serbian Patriarch German

AU2306190689 Belgrade Domestic Service in Serbo-Croatian 1700 GMT 23 Jun 89

[Text] Slobodan Milosevic, president of the Serbian Presidency, has received Patriarch German and members of the Assembly of Archpriests of the Serbian Orthodox Church, which is meeting in Belgrade.

It was pointed out that relations between the Serbian Orthodox Church and the state bodies in Serbia are good, and that they have been developing on the basis of the law and the Constitution. It was said that all problems should continue to be solved with mutual respect and understanding.

Battle of Kosovo Anniversary Celebration Begins

Milosevic To Speak

AU2706145489

[Editorial Report] Belgrade Domestic in Serbo-Croatian at 1300 GMT on 27 June carries in its regular main newscast, a report by Kosta Krajincanic on preparations at Gazi Mestan for the celebrations to mark the 600th anniversary of the Battle of Kosovo on 28 June. The report states that "Tomorrow at precisely 1300 [1100 GMT] here in Gazi Mestan, delegations from Serbia, the Federation, and the Armed Forces of Yugoslavia will lay wreaths at the Memorial to the Heroes of the Battle of Kosovo, and then it is expected that Slobodan Milosevic, president of the Serbian Presidency, will speak. Part of Rajko Maksimovic's musical-poetry work, The Passion of the Holy Prince Lazar, will be performed. At about 1600 [1400 GMT], as we have found out, Patriarch German and 300 priests will take part in the memorial service for the Kosovo heroes beside the memorial."

'No Incident' So Far

AU2806112889 Ljubljana Domestic Service in Slovene 1100 GMT 28 Jun 89

[Text] Here is a report from Gazi Mestan where the central celebrations on the 600th anniversary of the Kosovo Battle are beginning. Our special correspondent Marjan Rogelj reports from the spot:

[Rogelj] Long columns of people are walking along all the paths leading to Gazi Mestan. They have come from many places of Yugoslavia, chiefly from Serbia and Montenegro. Helicopters bringing the guests have been landing and taking off for the past 30 minutes, because all the roads are literally blocked with numerous buses and cars and are practically impassable. The traffic system is the first to have broken down completely.

Several hundred thousands people are here in the place of festivities; whether there are 1 million or not, I cannot judge at this moment. Numerous festivities took place in the morning at Gazi Mestan and at the Gracanica monastery. Everything is in the sign of, and subjected to, the anniversary of the Battle of Kosovo: exhibitions, shows, television and radio programs, and so forth.

With visible excitement, everybody is now waiting for the speech by Slobodan Milosevic, which will be, as they say, the culmination of all the celebrations of this anniversary.

There are exceptional numbers of militiamen everywhere. Special units are hidden away, but at the ready, and the Army is also near, but I must say that up to this point there has been no incident in the past few days; at least we have not heard or learned about any.

Gracanica Monastery Service Begins

AU2806071489

[Editorial Report] Belgrade Domestic Service in Serbo-Croatian at 0505-0540 GMT on 28 June broadcasts a live relay from Gracanica monastery in Kosovo of the beginning of the liturgical service, conducted by Patriarch German of the Serbian Orthodox Church, to mark the 600th anniversary of the Battle of Kosovo. "Several thousands of people" are attending the service, among them, celebrated Yugoslav poet, Desanka Maksimovic and the "representatives of the Socialist Republic of Serbia."

Mica Jankovic, representative of the Holy Synod, welcomes the crowd and at 0521 GMT the liturgy begins.

Ending the relay after about 20 minutes of the service, the studio reporter says that "this was part of the liturgy, which will last over 4 hours."

100,000 People Attend Service

AU2806093989 Belgrade Domestic Service in Serbo-Croatian 0900 GMT 28 Jun 89

[Text] On the occasion of the 600th anniversary of the Battle of Kosovo, a large archepiscopal liturgical service was conducted by His Beatitude the Patriarch of the Serbian Orthodox Church, Mister German, in Gracanica monastery.

The 2 and ½ hour liturgical service was attended by more than 100,000 people. At the end of the liturgical service, Bishop Pavle of Raska and Prizren read a message from Patriarch German.

The message states, inter alia, that one cannot have any obligations toward himself, others, or God, that would allow one to be inhuman or give one the right to act inhumanely.

Kajdomcaj Appointed New Kosovo President

LD2706143989 Belgrade TANJUG Domestic Service in Serbo-Croatian 1201 GMT 27 Jun 89

[Excerpt] Pristina, 27 Jun (TANJUG)—Hisen Kajdomcaj is the new president of the Kosovo Socialist Autonomous Province Presidency, with a 1-year mandate. This unanimous decision was passed today by members of the Kosovo Presidency following consultations with, and approval by, all sociopolitical structures in the province and the province's municipalities, and at the proposal of the Presidium of the Kosovo Socialist Alliance of Working People's provincial conference. [passage omitted]

Albanian 'Separatists' Trial Opens in Bitolj

LD2706162389 Belgrade TANJUG Domestic Service in Serbo-Croatian 1529 GMT 27 jun 89

[Summary] Bitolj, 27 Jun (TANJUG)—A trial opened today in Bitolj District Court [Macedonia], of a group of 10 Albanian nationalists and separatists charged with carrying out criminal acts of hostile propaganda, conspiring to carry out hostile activities, and of threatening the SFRY socialist order from counterrevolutionary positions at the beginning of 1989. According to the indictment, in May 1986 the accused formed an illegal organization, which received financial assistance from a Bitolj-born Albanian living in Canada. In January 1989, they destroyed a monument to a local revolutionary in Bitolj, burned the Yugoslav flag, and espoused slogans of hostile content.

Ethiopian Foreign Minister Continues Visit

Loncar, Berhanu Hold Talks

LD2706201789 Belgrade TANJUG in English 1600 GMT 27 Jun 89

["Pool" item]

[Text] Belgrade, June 27 (TANJUG)—Yugoslav-Ethiopian relations as a whole are developing successfully and both countries are interested in the more close cooperation of their economies in the future, Yugoslav Foreign Secretary Budimir Loncar and Ethiopian Foreign Minister Berhanu Bayeh underscored in their talks today.

Minister Berhanu Bayeh, who is on a short working visit to Yugoslavia, noted Ethiopia's interest in engaging Yugoslav enterprises more in its development programs.

Loncar and Bayeh favorably assessed changes in international relations and the two superpowers' contribution to mutual rapprochement.

Speaking about the preparations for the ninth nonaligned summit, which is to be held in Belgrade this September, the two ministers fully agreed that the movement of nonalignment should become more modern and efficacious, and that it should conduct a permanent dialogue with important factors on the world political stage which are outside the movement.

Ethiopia has undertaken a new peace initiative aimed at putting a final end to the clashes in the country's north, Bayeh said at today's news conference.

According to Bayeh, the negotiations will be conducted publicly and attended by observers, on whom both sides will agree. The government has offered negotiations without setting any pre-conditions, Ethiopian foreign minister said, and added that the reactions within the largest Eritrean rebel group have been controversial so far, but that the negotiations have been accepted by other groups.

In reply to the question about food supplies, Bayeh said that the harvest is good owing to the copious rains for the past two years, and that there is enough food. He added that Ethiopia has a "practical program" to achieve self-sufficiency in providing food for its population.

Radio Reports on Talks

AU2706180389 Belgrade Domestic Service in Serbo-Croatian 1700 GMT 27 Jun 89

[Text] It has been stressed in talks between the foreign ministers of Yugoslavia and Ethiopia, Budimir Loncar and Bajeh Berhanu, that (?all) relations between the countries are developing (?successfully) and that further economic links are of mutual interest. Ethiopian Foreign Minister Berhanu briefed Budimir Loncar on Ethiopia's peace initiative and the political solution to the situation

in this [word indistinct]. Loncar [words indistinct] the peace plan of the Addis Ababa government stressed the need for preserving the (?independence) and territorial integrity and sovereignty of Ethiopia.

Preparations for the ninth nonaligned meeting in Belgrade were also discussed.

Daily Criticizes Party for Postponing Plenum

AU2806063889 Belgrade BORBA in Serbo-Croatian 23 Jun 89 p 1

[Dara Vucinic commentary: "Retreating Before Insanity"]

[Text] "The members of the Commission for Interethnic Relations of the Central Committee of the League of Communists of Yugoslavia [LCY] today concluded that the circumstances in the country are not favorable for convening the scheduled plenum on the state of interethnic relations in the country, and that the plenum should be postponed and prepared so that its conclusions may serve as the foundation for a special congress document."

This TANJUG statement, and thus an official statement, was carried by all Yugoslav papers yesterday.

The present situation in Yugoslavia (the entire situation, and the situation concerning interethnic relations more than any other), is indeed the gravest since the war. Our quarreling politicians, scientists with opposing views, and friendly and unfriendly peoples and nationalities have been saying this for months, if not for longer. We have almost reached a point where people shrink from each other.

The ethnic principle has become, like nowhere else in Europe, the principle above all principles, the measure of all measures. Talks in the League of Communists and its leadership (or leaderships) are increasingly frequently held from the increasingly deeper territorial-national trenches which everybody seems to be running for. National separation and divisions, and insane passions (either as a consequence or cause of the socioeconomic crisis), threaten to push Yugoslavia, either as a whole or in parts, into the total economic, political, social, cultural, and national abyss any time.

Instead of proceeding from the fact that water can penetrate all gaps, and that therefore one should act immediately and without delay in order to direct the flow and fill in all the gaps while this can still be done, the above-mentioned LCY Central Committee Commission stated: Wait until we establish whether the water is water, whether the gaps are gaps, and whether they should really be blocked. In other words, wait until we in the omniscient, omnipotent vanguard harmonize ourselves and decide when and how to interfere.

This could also be put differently: Comrades in the party leadership, is it not, in fact, you who have again caused a mix up? What is the purpose of your plenum on unfavorable interethnic circumstances, if and when these matters resolve themselves or they are resolved in some other way? What is the purpose of hiding in cowardly fashion behind "unfavorable circumstances in the country" when we should hold discussions precisely because of them? If you, comrade party officials, continue to avoid facing the truth it may happen that your plenum is not needed any more, because the circumstances will be sorted out or, because they may give a chance to somebody else to assess when the situation is favorable and when not. However, he who forgets this today does not have the right to be angry tomorrow for, instead of being the vanguard, which creates and directs things, he has been pushed to the sidelines of events, life, and importance.

Stojanovic Receives Nicaraguan Official Santos

LD2206163189 Belgrade TANJUG in English 1458 GMT 22 Jun 89

[Text] Belgrade, June 22 (TANJUG)—Dr Stanislav Stojanovic, executive secretary of the League of Communists of Yugoslavia (LCY) Central Committee Presidency, had talks on Thursday with member of the National Constituent Assembly of Nicaragua, Samuel Santos. Santos is heading a Sandinista National Liberation Front (FSLN) delegation on a visit to Yugoslavia at the invitation of the LCY.

During the talks on the promotion of inter-party cooperation, the activities of the LCY and FSLN at the internal level and international issues, Stojanovic expressed LCY's support to peace efforts by the FSLN and the Nicaraguan Government in Central America.

Justice Secretary Heads Delegation to Conference

LD2506180689 Belgrade TANJUG Domestic Service in Serbo-Croatian 1007 GMT 25 Jun 89

[Text] Belgrade, 25 Jun (TANJUG)—A Yugoslav delegation led by Vlado Kambovski, federal secretary for justice and administration, left today for the Netherlands, where it will take part in the work of the extraordinary ministerial conference of nonaligned countries at The Hague 26 to 30 June. The conference, which is devoted to peace and the role of law in international relations, is to set in motion a diplomatic initiative for the peaceful resolution of disputes between states.

Vojvodina Officials Expelled From Party

LD2706200789 Belgrade TANJUG Domestic Service in Serbo-Croatian 1515 GMT 27 Jun 89

[Excerpts] Zrenjanin, 27 Jun (TANJUG)—The Municipal Committee of the Vojvodina League of Communists in Zrenjanin, yesterday meted out to Vojin Golijanin, secretary of the local Secretariat for Internal Affairs, the strictest party measure: Expulsion. [passage omitted]

The same session expelled from the League of Communists, Maksa Djurisic, former president of the Presidium of the Zrenjanin Municipal Committee of the Vojvodina League of Communists, and member of the Serbian LC Central Committee, for, as assessed, support to a wrong policy of the former Vojvodina leadership. The party measure of a warning was meted out to Erne Lazar, former secretary of the Zrenjanin Municipal Committee of the Vojvodina League of Communists and Nikola Tomasev, director of the Zrenjanin newspaper and publishing work organization. [passage omitted]

Macedonian SUBNOR President Elected

LD2706194289 Belgrade TANJUG Domestic Service in Serbo-Croatian 0937 GMT 27 Jun 89

[Summary] Belgrade, 27 Jun (TANJUG)—The Presidium of the Federal Board of SUBNOR, [Federation of Associations of National Liberation War Veterans], in a secret ballot, today elected Risto Dzunov, a Presidium member from Macedonia, as its new president. He received 12 votes out of 21, while the other candidate, Metodi Kotevski,s received 9 votes. The mandate as president runs for 1 year.

Kucan, Party Delegation Visit Macedonia

AU2106134789 Ljubljana DELO in Slovene 20 Jun 89 p 1

[Dejan Vodovnik report: "About the Reform and the Contradictions"]

[Text] Skopje, 19 Jun—The way out of the crisis in which Yugoslav society has landed, and the tasks of the League of Communists [LC] in the period before the congress. were the chief subjects of today's meeting between the delegation of the Central Committee of the LC of Slovenia, headed by Milan Kucan, president of the Presidium of the Central Committee of the LC of Slovenia, and the highest representatives of the Central Committee of the LC of Macedonia. The meeting today was organized at the initiative of the Central Committee of the LC of Slovenia.

In the talks today, which lasted almost 7 hours, it was assessed, among other things, that such meetings between republican party leaderships are of extraordinary importance for the elimination of unclarities in the LC activities, as well as for creating conditions for a more comprehensive and effective realization of the social reforms. Both the Slovene and the Macedonian side stressed that, in particular, the stances of the first Conference of the LC of Yugoslavia must be the only framework and basis for further activities of the LC in eliminating the difficulties that have arisen in the country in implementing the planned reforms. It was thought, at the meeting in Skopje today, that one should particularly draw attention to the unclarities in connection with the renewal of the concept of socialism in Yugoslavia.

The two sides advocated that "new socialism" should contain such a state and a system of socialist self-management that will center on the individual, the quality of his life, and his various needs and interests. Therefore, it was said in the talks, that the LC must work primarily in the direction of placing itself among the leading forces in the social emancipation of material and spiritual creation. At the round table in the Macedonian Central Committee today, one could hear several different views on the implementation of the reforms in the economy and the political system. At the end, the participants were unified in thinking that the reforms must speed up the elimination of numerous contradictions, which are a consequence of earlier contradictions and of the present stage of development of socialism. Above all, it is necessary to eliminate all the elements of social and economic statism.

With regard to inflation, the delegations were of uniform opinion that the LC must, above all, be an instigator in reducing inflation, and that it must create conditions for achieving the set goal, a reduction and elimination of inflation. With regard to the differences in the LC of Yugoslavia, it was thought at the meeting today that they can be eliminated only through an "open, democratic, and well argued discussion in all the organs of the LC of Yugoslavia." In this respect, both sides presented their experiences in the preparation of the congresses in the two republics and of the 14th extraordinary Congress of the LC of Yugoslavia. In conclusion, the two delegations agreed that wider cooperation between the two republics would be welcome to both Slovenia and Macedonia.

The afternoon part of the meeting passed in this sense. Vlado Klemencic, member of the Presidium of the Central Committee of the LC of Slovenia, together with Petar Gosev, member of the Presidium of the Central Committee of the LC of Macedonia, visited the Ohis Chemical Combine. Ciril Ribicic and Svetomir Skaric, members of the presidium of the Central Committee of the LC of Macedonia, visited the main NOVA MAKEDONIJA newspaper enterprise.

At the end of the talks, we asked Sonja Lokar, executive secretary of the Central Committee of the LC of Slovenia, for a statement. She said that the Macedonian political leadership in the talks today reproached the Slovene politicians most for their views on stopping the demographic explosion, especially that of the Albanian population in Macedonia, the supposed Slovene underestimation of the Albanian separatism and counterrevolution in Kosovo and Macedonia, and their lack of understanding for the redefinition of the Macedonian Constitution. As Lokar said, both the Macedonian and the Slovene side were dissatisfied with the flow of information between the two republics, and this particularly applies to interparty information.

BORBA Views Croatian Language Issue

AU2806100889 Belgrade BORBA in Serbo-Croatian 23 Jun 89 p 2

[Milan Rakas, director of BORBA, commentary: "Oil on the Fire"]

[Text] In the last 2 days, the claim has been repeated in much of the media that by postponing a decision on the name of the language during the adoption of the amendments to the constitution of the Socialist Republic [SR] of Croatia, the Assembly of the [SR] of Croatia has directly disavowed the Constitutional Court of Yugoslavia, which proclaimed that the present name of the language in the Constitution of the SR of Croatia is an unconstitutional provision.

However, the problem does not only lie in the fact that the Assembly of the SR of Croatia has disavowed the Constitutional Court of Yugoslavia. Unfortunately, we are seeing that it is possible in this state, which has not been a law-governed state for quite a long time, to ignore the stands of the highest organ for the protection of constitutionality. However, time will very quickly show that a much more tragic dimension of the decision of the Assembly of the SR of Croatia to postpone the introduction of a new name of the language in the constitution is in the political consequences for the unity and joint life of Croats and Serbs in Croatia. And not only this; postponing this decision means that in the present state of interethnic relations in Yugoslavia, oil has been poured onto the fire of inflamed nationalist passions in the entire country.

This postponement by the Assembly of a decision on the name of the language has objectively encouraged Croatian nationalists in their sowing of seeds of discord, division, and inequality among Serbs and Croats. Both Serbs and Croats are finding, and will find, in the postponement of a change to the constitutional provision on language, fuel for their separatist activity, nationalist separation, and constant deepening of the rift between these two fraternal peoples, who have lived together for centuries on the same territory. At the same time, all those in the republic of Croatia and outside of it who claim that the program in Croatia to assimilate Serbs is going according to plan, and that the creation of total equality is being hindered, will look for and find proof for their claim in the Assembly's latest decision on language. Tendencies toward assimilation, and the negation of the Serbian people in Croatia have been particularly nurtured by the proposal, not to mention the Serbian people in the constitution of the SR of Croatia, in the provision concerning its statehood, for which a certain number of Assembly delegates unfortunately voted at the same session which was deciding about the language, despite all the explanations by the Constitutional Commission on its historical and political untenability.

The Croatian Assembly's postponement of a decision on the name of the language is politically more incomprehensible when one discovers the clear stand of the Central Committee of the League of Communists [LC] of Croatia and the Republican Conference of the Croatian Socialist Alliance on the name of the language. According to this stand, the present name of the language in the constitution of the SR of Croatia must be changed because it does not reflect the linguistic equality of the Croatian and Serbian peoples in Croatia. This is also understandable because the contentious provision on the language was "inserted" into the constitution of the SR of Croatia during the pitched battle against the nationalist ideology and practice of the so-called mass movement in the SR of Croatia. In the elimination of the burden of the consequences of the activities of the mass movement, the present compromise provision on the name of the language was reached in the public discussion at that time. In the meantime, the adopted name (the Croatian literary language) and its misuse in practice, proved to be the source of many occurrences of linguistic inequality, which was justifiably highlighted by the Central Committee of the Croatian LC in its stands on language.

Because of all of the above, the postponement of making a decision in the Croatian Assembly on the new name of the language carries with it at least two important messages. The first one warns of the danger of the still strong influence of forces in our individual political and self-managing forums which, to put it mildly, do not always have sufficient feeling for the delicacy of the true realization of the equality of our peoples and nationalities. This was unfortunately obvious on this occasion in the Assembly of the SR of Croatia, which has so far been well-known to our public for its affirmation of the struggle for the consistent realization of the equality of peoples and nationalities.

The second message highlights the maximum mobility of all political factors in preparation for the announced adoption of the new constitution of the SR of Croatia, which will also eliminate the focus of the linguistic inequality of the Serbian people in Croatia. In this respect, it is particularly important to learn from experience that decisions on such sensitive questions for the equality of peoples and nationalities cannot be made through a system of outvoting [nadglasavanje], because the latest experiences in outvoting in the Croatian Assembly involving the name of the language have shown that in the process of outvoting, the people who are in the minority always come out badly.

We can also say that until a new constitution is adopted, we will need in every day, both inside and outside the SR of Croatia, a lot of wisdom and decisiveness to prevent disagreements over the name of the language and its misuse from turning into the constant focus of national and nationalistic conflict.